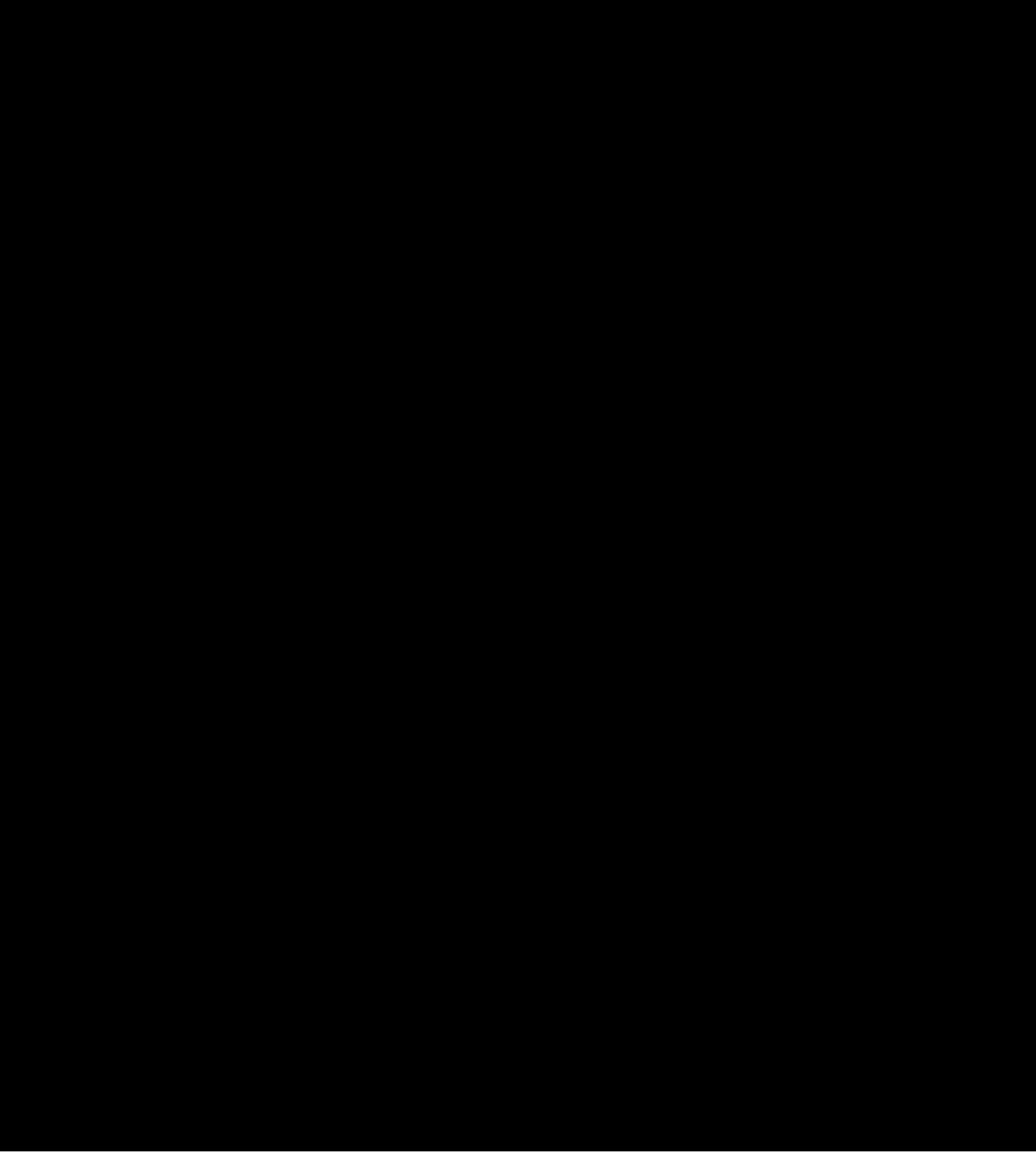




National Lead Company *Executive Offices: 111 Broadway, New York, N.Y. 10006*

Board of Directors

Alfred F. Bauer
Vice President

George B. Coale
Vice President

Edward J. Hanley
*Chairman of the Board,
Allegheny Ludlum
Steel Corporation*

John B. Henrich
President

J. Murray Johnston
Vice President

Joseph A. Martino
Honorary Chairman

Claude M. Merrell
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David A. Merson
Former Vice President

Eric G. Orling
Vice President

E. R. Rowley
Chairman

William J. Welch
Former Vice President

Morris H. Wright
*General Partner,
Kuhn, Loeb & Company*

Executive Committee

E. R. Rowley
Chairman

John B. Henrich

J. Murray Johnston

Joseph A. Martino

Claude M. Merrell

Eric G. Orling

Counsel

Alexander & Green
*120 Broadway,
New York, N.Y. 10005*

Executive Officers

E. R. Rowley
Chairman

John B. Henrich
President

Alfred F. Bauer
*Vice President; General Manager,
Doehler-Jarvis Division*

Edward F. Beale
*Vice President, Corporate
Development*

George B. Coale
*Vice President; General Manager,
Baroid Division*

Richard A. Donovan
Vice President, Employee Relations

J. Murray Johnston
*Vice President; Manager, Titanium
Alloy Manufacturing Division*

James MacGuffie
*Vice President; Manager,
Emission Control Engineering*

Claude M. Merrell
*Vice President,
International Operations*

Eric G. Orling
*Vice President; Manager,
Titanium Pigment Division*

Harry W. Siefert
Vice President, Finance

Kenneth C. Specht
*Vice President; Manager,
Paint Division*

Warren T. Trask
*Vice President; Manager,
Metal Division*

Henry J. Whitson
*Vice President; Manager,
Pigments and Chemicals Division*

Russell C. Shaw
Assistant Vice President, Finance

Luther R. Strole
*Assistant Vice President,
Employee Relations*

Thomas P. Mesick
Secretary

Archer D. Sargent
Treasurer

Edward J. Galvin
Controller

John J. Lawlor
Assistant Secretary

Roman Dodyk
Assistant Controller

Malte Ericson
Assistant Controller

G. Warren Waite
Assistant Controller

Common Stock

Transfer Agents:

The Chase Manhattan Bank, N.A.,
*One Chase Manhattan Plaza,
New York, N.Y. 10015*

Old Colony Trust Company,
*45 Milk Street,
Boston, Massachusetts 02106*

Crocker-Citizens National Bank,
*79 New Montgomery Street,
San Francisco, Calif. 94105*

Registrars:

Bankers Trust Company,
*16 Wall Street,
New York, N.Y. 10015*

The First National Bank of Boston,
*45 Milk Street,
Boston, Massachusetts 02106*

United California Bank,
*405 Montgomery Street,
San Francisco, California 94104*

4½% Subordinated Debentures

Trustee and Interest Paying Agent:

The Chase Manhattan Bank, N.A.,
*One Chase Manhattan Plaza,
New York, N.Y. 10015*

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National Lead Company



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The seventy-seventh annual meeting of the shareholders of National Lead Company will be held on Thursday afternoon, April 17, 1969 in the Hotel Robert Treat in Newark, New Jersey at 2:00 P.M. All shareholders are cordially invited to attend.

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E. R. Rowley



John B. Henrich

To the Shareholders: Diverse factors tended to make the year 1968 a most complex one for National Lead Company. While sales approached an all-time high, earnings were adversely affected by work stoppages, and the Federal income tax surcharge. At the same time, aggressive, positive actions were taken with regard to the structure and organization of the Company, the formulation of plans and the implementation of projects concerned with future profitable growth and development, and the broadening of the Company's operating base through acquisitions.

Sales for National Lead in 1968 were \$858,195,000, compared with sales of \$818,905,000 in 1967. Net income for 1968 was \$49,985,000, or \$4.15 per share. In 1967, income before an extraordinary gain was \$51,260,000, or \$4.28 per share, and net income after such gain was \$54,309,000, or \$4.53 per share.

The seven-week strike against the five operating plants of the Doehler-Jarvis Division had a pronounced effect upon the earnings of the Company. The stoppage extended over a period of time coincident with production of the first 1969 model automobiles in late summer and early autumn. The four-week strike at the St. Louis plant of the Titanium Pigment Division also had a depressing effect upon Company earnings. In addition, the 10 percent Federal income tax surcharge reduced per share earnings by 33 cents.

These circumstances overshadowed the generally good performance by the majority of the Company's operating divisions during 1968. Even those divisions of the Company hindered by work stoppages during the year could report positive developments.

Through the first six months of 1968 operations at Doehler-Jarvis were about the 1967 level. With the conclusion

Financial Highlights

For the year	1968	1967
Sales	\$858,195,000	\$818,905,000
Income before extraordinary item	49,985,000	51,260,000
Per share	4.15	4.28
Net income	49,985,000	54,309,000
Per share	4.15	4.53
Cash dividends paid	39,062,000	38,786,000
Per share	3.25	3.25
Property expenditures	45,010,000	32,860,000
At year end		
Working capital	215,904,000	229,664,000
Long term debt	54,761,000	50,044,000
Shareholders' equity	404,764,000	399,640,000

2 year strike, the task of returning operations to profitability was accomplished with much greater dispatch than had been anticipated. This was most gratifying, and a tribute to the diligence and loyalty of the employees of the division. The Western Pigment Division, which had not been experiencing a declining rate of millings due to increased competition from domestic and foreign sources and higher costs of labor and raw materials, was able to halt the downward trend.

The structure and organization of the Company were altered and expanded to make National Lead to maximize the potential of current operations and to be in a more advantageous position to capitalize on future growth possibilities. New positions were created for vice presidents of finance, employee relations, and corporate development.

The vice president of finance is charged with the responsibility of strengthening and coordinating the financial and control operations on both the corporate and divisional levels. In the short time this office has been in existence, noticeable progress has been made in attaining these goals.

The office of vice president of employee relations has the responsibility to insure that the total management potential within the Company is utilized to the full for the greater good of the entire Company. Equally important is the task of this office has of planning and developing the Company's management needs for the future. Here again important developments have taken place.

The newly organized corporate development department is responsible for corporate planning and development and for evaluating potential profitable growth opportunities by means of diversification and acquisition. A sound program has been instituted to carry out this function.

The creation of a mining and exploration department is helping to broaden and expand the Company's self-sufficiency

with regard to the minerals and metals needs of its operating divisions.

The research and development objectives of the Company have been redefined and refocused. Greater emphasis is being given to corporate initiated projects. A "task force" approach has been adopted so as to utilize more fully the available scientific and technical talent throughout National Lead.

During 1968, National Lead moved ahead in the field of acquisitions. Most significant was the acquisition for cash of 99 per cent of the outstanding stock of the Lake View Trust and Savings Bank, Chicago, Ill. The transaction involved a cash expenditure of approximately \$38 million. Lake View Trust and Savings Bank, which is the eighth largest in Chicago, and 173rd largest in the country, had assets of \$325 million at the end of 1968. The bank will operate as a separate entity with its present officers and staff. The acquisition is an indication that National Lead is prepared to consider entry into fields other than its traditional manufacturing and marketing areas.

There were also a number of acquisitions during 1968 that helped to diversify operations of the Company. The major one was The Bunting Brass and Bronze Company, manufacturer of bronze bushings and bars, special sintered bronze and iron parts, and products for the automotive and marine industries.

With regard to the projected plan to extract magnesium ore from the brines of the Great Salt Lake, final cost studies have been received and are being evaluated in detail. This evaluation should be completed in the near future, at which time the Company will make a definitive decision on its plan to build a plant having a capacity to produce 45,000 tons of magnesium a year.

In January 1969, the Board of Directors declared an increased dividend from

75 cents per share to 85 cents per share, payable March 27, 1969 to shareholders of record as of March 7, 1969. The board also indicated that it intends to declare dividends for 1969 on a regular quarterly basis.

At the same time, the board approved a proposal to split the common stock of the Company on a two-for-one basis, to increase the number of authorized shares of common stock from 30 million to 60 million and to reduce the par value of each share of common stock from \$5.00 per share to \$2.50 per share. The proposal will be submitted at the forthcoming annual meeting.

As we near the end of the first quarter of 1969, the outlook for a continued rise in the economy seems favorable. However, consideration must be given to the problem of inflation and the hoped for termination of hostilities in Vietnam.

Although the conflict in Vietnam has been a contributing factor to inflation, we do not believe that a de-escalation or even a cessation of the war in 1969 will have too much of an economic impact. Nevertheless, the long range benefits to a company such as National Lead, whose interests are so closely allied to a civilian economy, could be significant.

Therefore, if inflation can be held in check and the present favorable business conditions continue, 1969 should be a highly productive year for National Lead Company.

Respectfully submitted,

E. K. Rowley
Chairman of the Board

J. B. Hennrich
President

March 17, 1969

E. R. Rowley was elected chairman of the board and chief executive officer of the Company effective April 1st, succeeding Joseph A. Martino, who was named honorary chairman. J. B. Henrich, formerly executive vice president, was elected president to succeed Mr. Rowley.

Mr. Rowley has been associated with National Lead since 1933. He has served as vice president and general manager of the National Lead Company of Ohio, president of Titanium Metals Corporation of America, and since June 1967 as president of the Company. He has served as a director of the Company since 1963 and has been a member of the executive committee since 1964.

Mr. Henrich, who has been with National Lead since 1935, served in the fields of accounting, sales, law, and patents prior to being named assistant secretary in 1943 and secretary in 1948. Since 1960 he has been a member both of the board and the executive committee.

Mr. Martino, who continues as a member of the board and of the executive committee, has served National Lead for more than 50 years and was chief executive officer since 1947.

In other important changes, Eric G. Orling was elected a vice president, member of the executive committee, and director of the Company and appointed manager of the Titanium Pigment Division. During 1968 the following were

elected to newly created posts: Harry W. Siefert, vice president, finance; Edward F. Beale, vice president, corporate development; and Richard A. Donovan, vice president, employee relations. Kenneth C. Specht, manager of the Paint Division, was elected a vice president.

Mr. Orling was formerly president of The Baker Castor Oil Company, a National Lead subsidiary. He succeeded James MacGuffie, also a vice president, who was named to the new post of manager, Emission Control Engineering. Mr. Orling has been associated with National Lead since 1938, serving in executive sales and marketing positions, prior to his election as president of Baker in 1956. Daniel R. Finn, who was vice president of The Baker Castor Oil Company, was elected president to succeed Mr. Orling.

Mr. Siefert was formerly vice president and controller of American Standard Inc., and was also associated with Lybrand, Ross Bros. & Montgomery, certified public accountants. Mr. Beale has been a member of the executive offices of the company since 1958, and was formerly assistant to the president. He also served as financial vice president of Pennsalt Chemicals Corporation. Mr. Donovan, who has served in various executive management capacities in the field of employee relations, was vice president, employee relations, for Shoe Corporation of America prior to joining National Lead.

Mr. Specht joined National Lead in 1935 and was appointed sales manager of "Dutch Boy" paints in 1950. He has directed operations of the Company's Paint Division since 1963.

In the financial area, Russell C. Shaw was elected to the new post of assistant

vice president, finance; Edward J. Galvin was elected controller; and Roman Dodyk was elected assistant controller. Mr. Shaw was formerly the head of Russell C. Shaw & Co., financial consultant and was also associated with the investment banking firm of Dillon, Reed & Co. as treasurer. Mr. Galvin succeeds George A. Dewey, who retired after 44 years of service with the Company. He formerly served American Standard Inc. as assistant controller, and was also associated with Arthur Young & Co., certified public accountants. Mr. Dodyk joins National Lead after having served as group controller of domestic operations for the Crane Company.

With the expansion of the employee relations function, Luther R. Strole was elected assistant vice president, employee relations. Mr. Strole has been with National Lead for 37 years in various management capacities in the fields of employee and industrial relations.

Dr. Roger L. Pilloton, who joined National Lead in 1967, was appointed director of research and development, succeeding Roy Dahlstrom, who retired. He was formerly director of research at the Quebec Iron and Titanium Corporation, and director of a development program on thorium nuclear fuel recycling for Union Carbide Corporation.

Brower Dellinger, formerly manager of the Company's MacIntyre Development at Tahawus, New York, one of the largest ilmenite mines in the world, was ap-

pointed manager of the mining and exploration department.

W. Harcourt Woods was appointed to the newly created position, director of corporate purchasing. Mr. Woods has been with National Lead since 1930 and previously served as vice president of sales and marketing for the Titanium Pigment Corporation.

Employee Relations

During 1968 the corporate employee relations department formulated major programs in management training and recruiting, and in college recruiting. This commitment to a long term investment by National Lead is intended to accelerate the evolution from within the Company of talented management personnel and to establish a sound management nucleus for future growth.

The Company, in all departments, divisions, and wholly and majority owned domestic and foreign subsidiaries employed approximately 26,000 persons at the end of 1968. Thirty-five labor contracts covering approximately 7,500 employees were negotiated during the year. With the exception of a four-week unauthorized strike against the Titanium Pigment Division's St. Louis plant, and a seven-week strike against Doehler-Jarvis, labor relations remained satisfactory during 1968.

Public Affairs

The year 1968 marked the fifth one of the Company's Plans for Progress policy and showed substantial results in minority

employment and advancement of qualified minority group members to positions of greater responsibility. The Company's commitment to Plans for Progress and affirmative action programs is exemplified in its ever increasing utilization of productive talent without regard to race or religion. Through these programs the Company has demonstrated its leadership among Equal Opportunity employers.

The corporate Environmental Health Department helped to achieve greater coordination of emission control activities throughout the Company during 1968. Several Company plants, in conjunction with the department, cooperated with various scientific groups engaged in studies of working environment and related health considerations.

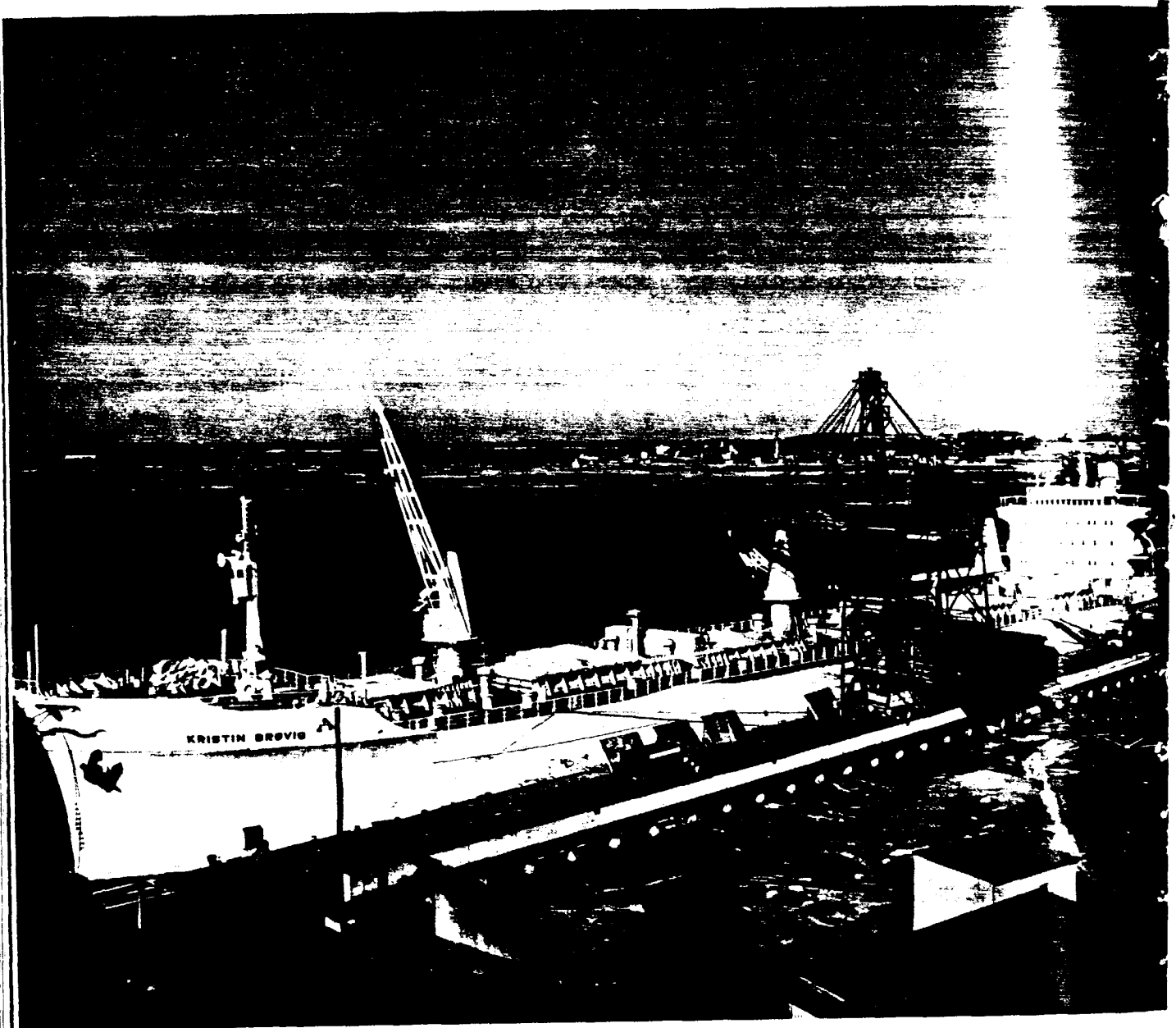
Shareholders

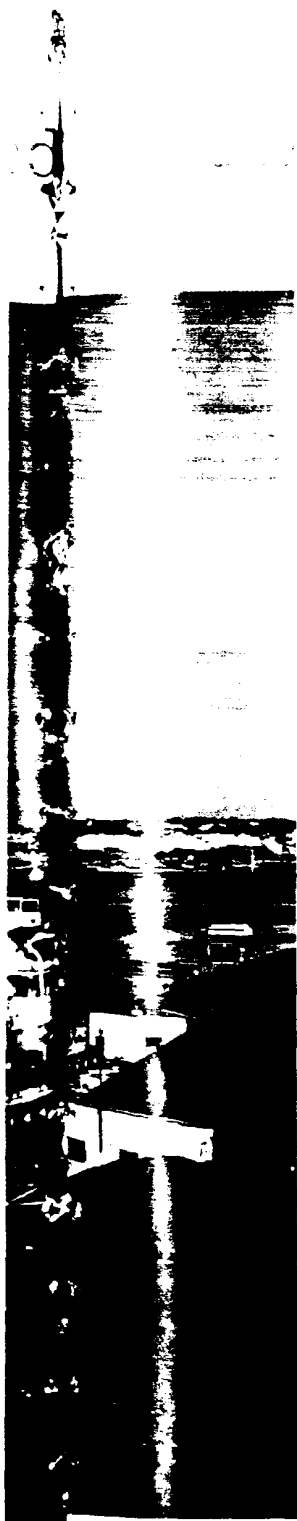
As of December 31, 1968, there were 11,915,365 common shares outstanding compared with 11,981,052 common shares outstanding at the end of 1967. The number of shareholders at year end was 49,159.

Geographic Distribution of Shareholders

Region	Per Cent
New England	10
Mid-Atlantic	35
South Atlantic	14
North Central	22
South Central	5
Pacific & Mountain	14

Consolidated





At Sayreville, New Jersey, rutile ore for the production of chloride process titanium pigments is unloaded from the Kristin Brovig, one of the ships National Lead leases to transport rutile and zircon ores from the mines in Australia to the manufacturing plants in the United States and Canada.

Titanium Pigments: Titanium pigment sales accounted for approximately 23 per cent of consolidated sales in 1968.

The Company's TITANOX and KRONOS titanium dioxide pigments registered gains in sales in 1968, reversing the decline experienced in 1967.

During 1968, a major effort of the Titanium Pigment Division was to bring the chloride process facility at Sayreville, N. J. for the production of conventional titanium pigments into a mature manufacturing system. Chloride process TITANOX pigments received widespread acceptance from users, with the paint and paper industries being the major customers. Sales of the Company's traditional titanium pigments advanced in 1968. Considerable progress has been made in developing new, unconventional pigments, by utilizing the best of both manufacturing processes. This is expected to have a bearing on sales in 1969.

Completion of the chloride process KRONOS plant in West Germany during 1968 increased the Company's ability to meet the rising demand for this type of pigment on a world-wide basis. A similar plant in Canada is expected to be on stream the second quarter of 1969. At Nordenham, in West Germany, the new sulfate process plant, on which construction was started in 1968, is expected to be in production by the summer of 1969. These new facilities will increase substantially National Lead's ability to service customers with the broadest line of pigments of any manufacturer in the world.

TITANOX CL-NC, a chloride pigment introduced late in 1967, has enabled National Lead to expand the Company's total market in the automotive industry. The durability of the pigment makes it ideally suited for the toughness and luster needed for automotive finishes. This same quality is a major factor in the gains the pigment is making in the paint industry.

Die Castings: Die castings and die cast metals accounted for approximately 18 per cent of consolidated sales in 1968.

Sales for the Doehler-Jarvis Division were below the levels of 1967. The seven-week strike against the division's five U.S. operating plants was the main factor responsible for the decline. In Canada, Barber Die Casting Co. Limited and Lakeshore Die Casting Limited continued to maintain their share of market, while in England, Metal Castings Doehler, Ltd. experienced a good year, helped by increased production from its expanded facilities.

The trend to full assembly, wherein parts supplied from other manufacturers are assembled to a die cast part to form a complete unit, continued to grow. Doehler-Jarvis' capabilities in this technique were strengthened and expanded considerably during 1968.

The division's research and development group reported marked progress in a number of programs, all of which could be significant in 1969. Major advances were made toward the production of die cast sensing devices to help control pollution from automotive exhaust systems.

In another key area, a substantial project is underway to develop die cast units for communications equipment. These Doehler-Jarvis units would permit overall cost saving in the manufacture and maintenance of the equipment. The division is also vigorously engaged in a number of

developmental programs in the photographic field.

In 1968, Floating Floors Inc., achieved an all-time record high for sales, and continued as the leader in quality, research, and application for highly sensitive computer areas. Sales by foreign subsidiaries and licensees also attained record levels.

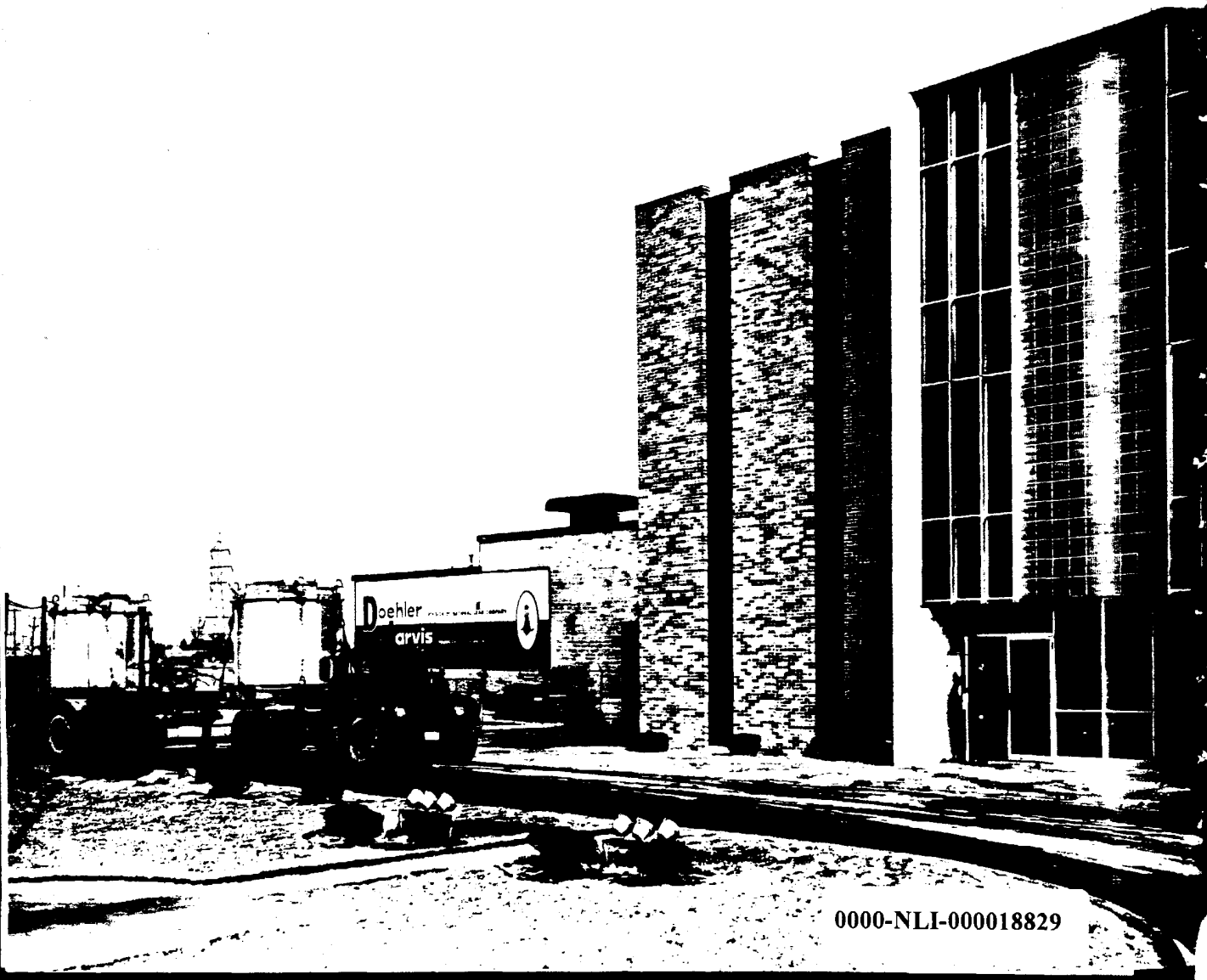
Products of Floating Floors are now in service in a wide range of industries, including banking, airlines, electric and power, telephone, and aerospace.

Metal Products: Metal products, which include ingots, alloys and fabricated

forms, accounted for approximately 27 per cent of consolidated sales in 1968.

Increasing demand for the Company's traditional metal product lines raised the output of these products above the 1967 production level.

Keeping pace with this advance was the capitalization program to provide the Metal Division with the most modern and efficient secondary smelting facilities. Of particular significance was a new furnace put into operation at the Master Metals plant in Cleveland. It is similar to one installed at the Beech Grove, Indiana plant last year, and conforms to the highest environmental health standards.



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For Morris P. Kirk & Son, Inc., 1968 was a year of growth, indicating the general level of industry in the nation's western states. In anticipation of the increasing needs for fabricated lead products and lead oxides for the industrial West, a new furnace, of the most advanced design, was put into operation at the Kirk refinery in Los Angeles. Pioneer Aluminum Inc., a subsidiary of Kirk, maintained its share of market as a nationwide supplier of aluminum extrusions and sheet to the aircraft industry.

In line with the general trend in the metalworking industries, and the automotive industry in particular, the Southern

Screw Division experienced another year of sustained growth.

Bearings: The sale of bearings accounted for about 5 per cent of consolidated sales in 1968.

Reduced purchasing by the railroad industry during the first nine months of 1968 caused sales of the Magnus Metal Division and the American Bearing Division to slip below those of 1967. However, increased purchasing activity by the railroads during the last quarter of 1968 enabled both divisions to end the year on a definite upswing. The Bunting Brass and Bronze Company, acquired during 1968, reported a slight increase in sales.

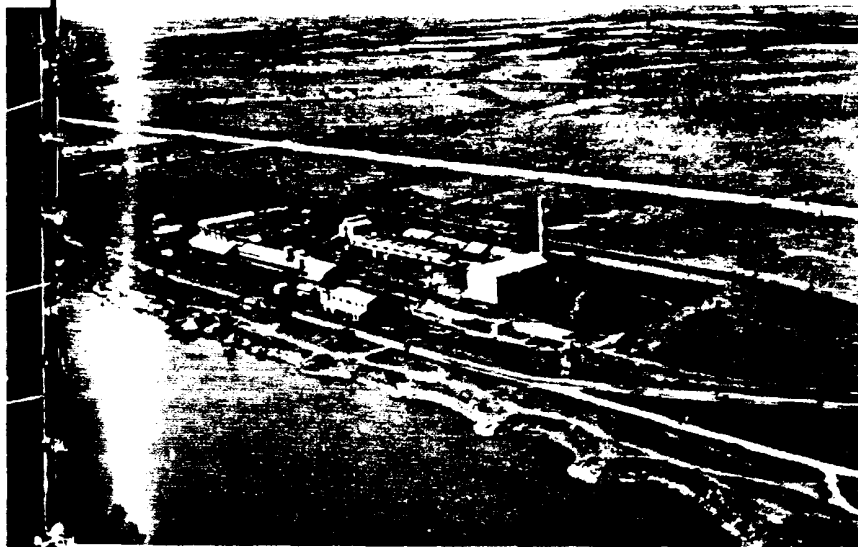
Production was started at the new Magnus roller bearing plant in Cincinnati, and the first delivery was made to a major eastern railroad. To meet anticipated customer needs in 1969, new machinery and equipment are being installed to increase production.

The introduction of new products by National Lead's bearing group in 1968 is expected to lead to penetration of new growth markets in 1969, such as large gas turbines and fluid hydraulic components.

Chemicals and Plastics: Sales of the Company's chemical and plastic products accounted for approximately 9 per cent of consolidated sales in 1968.

Chemicals produced by the Pigments and Chemicals Division experienced a strong year in 1968. Lead oxide shipments to battery manufacturers were particularly good, owing to the near record year in the automobile industry. Chemical sales to the paint, rubber, and plastic industries were also ahead of 1967 levels. A new BENTONE gellant for latex paint introduced late in 1968 received immediate customer acceptance. The new gellant helps to minimize brush and roller marks in painting.

The ONCOR group of Basic Lead Silico Chromate pigments, produced by



At the National Lead Company S. A. plant on the Parana River in Argentina, lead is smelted and refined.

Truck carrying 32,000 pounds of molten aluminum at 1400 degrees F. is shown at Doehler-Jarvis' Toledo plant #2. The material is transferred directly by gravity flow to holding furnaces, eliminating melting and inventory costs.

the Pigments and Chemicals Division, continued its upward sales trend. New technological developments resulting in refinements of these anti-corrosion pigments expanded their use to the automotive industry as primers. The unique features of ONCOR M50 and ONCOR S25, for the protection of metal finishes, lend themselves to "electrodeposition," a method being used with increasing frequency by the automotive industry to apply coatings to vehicle bodies.

Sales for the plastics group of the Amos-Thompson Corporation remained at the level of 1967. Facilities were expanded with the installation of a modern plating production line for finishing plastic products used in the automotive, appliance, and other industries.

The Wood Division of Amos-Thompson, which supplies face veneers for wall paneling and furniture, maintained its share of market, although sales for the industry as a whole were lower.

Oil Well Materials and Services: Sales by the Baroid Division of oil industry and other industrial materials and services accounted for approximately 8 per cent of consolidated sales in 1968.

Despite more competition, the division reported higher sales in 1968. Drilling activity increased during the latter part of the year, with indications of a continuing improvement. Non-drilling mud products and services contributed substantially to total sales. Overseas sales continued to rise, especially in Alaska, Australia, and the North Sea.

The long term outlook is good, due to deep drilling and offshore drilling. All continents, except Antarctica, are now active in continental shelf drilling.

Rental of oil field equipment registered a good year. Entrance was gained into cathodic corrosion control, with results indicating that this field could eventually make a substantial contribution to sales



Tapered roller bearings for railroads are now being produced at the new Magnus plant in Cincinnati. Initial delivery was made to a major eastern railroad in December.

Bulk mud additives are pumped aboard a rig tender from the hold of the Baroid ROCKET. The ROCKET and its sister ships, the RANGER and the HUSTLER, can carry up to 325 tons of cargo to offshore rig locations.

and earnings. Chemicals marketed by the Baroid Division also recorded gains, particularly in process water and in corrosion control.

As part of an overall diversification plan, Baroid research continued its program related to oil well drilling mud and services and expanded into new areas. A line of specialty products based on bentonitic raw materials is being developed for seismic, water well and construction drilling, general water treating, and for the brewing industry. New treating chemicals are being developed for all phases of the petroleum industry. Oil field rental equipment and sophisticated electronic and mechanical aids to engineered drilling are also being improved and developed.

As part of the division's capital investment program in 1968, the manufacturing facilities at Houston are being expanded to permit production of intermediate and certain basic chemicals on a more favorable cost basis. Completion is scheduled for March 1969. An equally important program is the addition of 45,000 square feet to the Houston office and laboratory facility to provide adequate space for the division's growing scientific and technical group. The expanded facility will include a new computerized information services section. Completion is scheduled for June of this year.

Paints: The Company's DUTCH BOY line of quality paints accounted for approximately 5 per cent of consolidated sales in 1968.

Sales for the Paint Division advanced in 1968 to a new all-time high. Major stress, with regard to products, was placed on the development of three new latex exterior coatings to be launched at outset of the 1969 painting season. These products are: Latex House and Trim Enamel, a gloss exterior trim enamel; Latex Exterior Primer; and Latex Metal



One of the world's most famous landmarks, the Eiffel Tower, is getting a bright new coat of paint, containing National Lead's anticorrosion pigment, ONCOR M50.

TIMET is a major supplier of titanium metal for the revolutionary Pratt and Whitney JT-9 jet engine which will power the first of the new generation of commercial jumbo jets, the Boeing 747.

Production of special refractories is underway at the newly expanded facilities of Chas. Taylor's Sons South Shore, Kentucky plant. In the background is a section of the 480-foot continuous tunnel kiln and auxiliary dryer.

Would you ask National Lead to help you get to the moon?

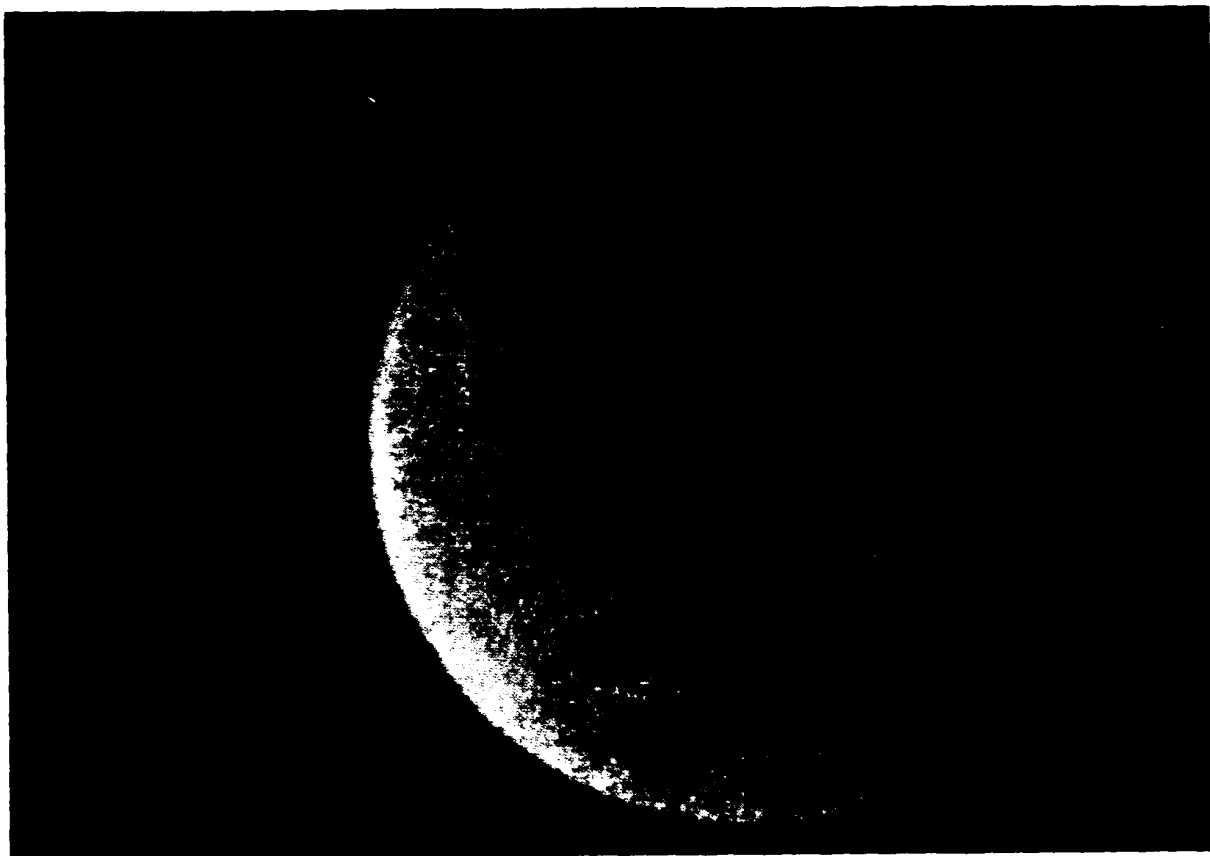


Photo: The American Museum of Natural History.

Not if you went by our name alone.

Actually, we're in the space age up to our ears. Our jointly owned subsidiary, Titanium Metals Corporation of America produces titanium. This supermetal is strong enough and light enough to withstand the searing white-hot heat of supersonic travel. The skin of space capsules is made of titanium. It is used in today's jet airliners and will be in tomorrow's supersonic jets.

Some of our other products are less visible, but equally important to the conquest of space.

For example, the roaring flame of a rocket at liftoff actually represents precisely controlled combustion that squeezes every bit of power from every ounce of fuel. One of the chemical additives that helps control this combus-

tion is produced by our Pigments & Chemicals Division.

Our Nuclear Division are the only people working with depleted uranium. This atomic age metal is 65% heavier than lead (and that's heavy). It's used for ballast and counterweights in missiles, rockets, and jets. Because it gives the greatest possible weight in the smallest space.

Throughout the world, National Lead has over 50 divisions and subsidiaries with over 200 different product categories. Our customers are in everything from space capsules to cosmetics. From jet planes to wood planes. Whatever you're in, chances are we can help you. If you would like to know more about us, write National Lead Company, Room 4505, 111 Broadway, New York, N.Y. 10006.

National Lead



U. S. Divisions, Subsidiaries and Affiliates: American Bearing Division • Baroid Division • DeLore Division • Doehler-Jarvis Division • Evans Lead Division • Goldsmith Division • Landover Manufacturing Division • Magnus Metal Division • Metal Division • Nuclear Division • Paint Division • Pigments & Chemicals Division • Southern Screw Division • Steel Package Division • Texas Mining and Smelting Division • Titanium Alloy Manufacturing Division • Titanium Division • Tool and Engineering Division • Aluminum Match Plate Corporation • Amoco-Thompson Corporation • Floating Floors, Inc. • Master Metals, Inc. • The Chas. Taylor & Sons Company • Morris P. Kirk and Son, Inc. • Pioneer Aluminum, Inc. • The Baker Castor Oil Company • Titanium Metals Corporation of America

0000-NLI-000018835

The diversity of National Lead was the theme of the 1968 corporate advertising campaign which appeared in leading business and financial publications.

Primer, a rust inhibiting primer. With the addition of these new products, a complete DUTCH BOY latex paint system can now be used for the exterior of a house.

The success of the initial television advertising campaign in 1968 has warranted continuation of this program for 1969. DUTCH BOY paint commercials will once again appear on network television programs as well as on local stations in prime market areas.

Miscellaneous: Sales for the Company's miscellaneous product category accounted for approximately 5 per cent of consolidated sales in 1968.

The TAM Division registered a sales increase. A major advance was made in dielectric product sales, indicating the sharp rebound for color television sets in 1968. Opacifier sales to the ceramic industry were also well ahead of the 1967 level, as were those of titanium and zir-

conium compounds to the chemical industry.

Shipments of specialized refractories manufactured by The Chas. Taylor's Sons Company for the steel and glass industries remained at a satisfactory level, with the high order backlog at year-end indicating good business in 1969. Completion in 1968 of the \$6-million expansion of manufacturing facilities at the South Shore, Kentucky, plant is expected to add to Chas. Taylor's ability to meet the increased demands of users for specialized refractories.

In May 1968, construction was begun on a 42,000-square foot general office and research and development facility near Cincinnati. The laboratory will contain the most modern scientific and technical equipment for refractory research. It has also been designed to permit simulation of actual production in the steel and glass industries. The building is expected to be completed in late spring.

The Company's Nuclear Division recorded a modest increase in 1968. Among the significant developments was the receipt of a contract late in 1968 to design and construct a large shielded and cooled cask for the shipping of irradiated power reactor fuel elements. The Albany, New York, facility will supply some 70,000 pounds of vacuum cast, precision machined depleted uranium, providing the necessary radiation shielding. Assembly and completion of construction will be done at the division's Wilmington, Delaware, plant.

In February of 1969, The Anaconda Company and National Lead announced a joint program involving nuclear fuels for electric power generation. Primary effort of the program will be consideration of fuel fabrication and chemical reprocessing of spent fuels. The initial phase of the program is expected to be completed in approximately one year.



Scenes from new television commercials for 1969. At top, a homeowner expresses his appreciation of DUTCH BOY NALPLEX Acrylic Latex Flat Wall Paint which shrinks those room paint jobs down to man-size ones. Bottom, the homeowner who really loves his house is advised how to protect it from all those elements that don't love it... With DUTCH BOY Latex House Paint.

Operations for the Tool and Engineering Division were strong in 1968, with the automobile industry continuing to utilize the special services and skills of the division to furnish dies for the prototype parts for future car models.

Operations of The Baker Castor Oil Company were ahead of the fine 1967 year. The Company expanded its market position in urethane products for the electrical and electronic industries, and in castor oil adducts for the paint and protective coating fields. In both areas, new products introduced in 1968 were chiefly responsible for the telling sales gains made during the year. Construction of a new research and development laboratory was begun in 1968, and completed in January 1969, doubling the amount of space provided for this most important function of The Baker Castor Oil Company.

Partially Owned Affiliated Companies

For the titanium metal industry and for Titanium Metals Corporation of America, 1968 was a year of adjustment. The inventory reduction by titanium users, which began in the latter part of 1967, carried over into 1968 as development and construction of the newer types of aircraft, such as the SST, continued to lag. This occurred during a year in which TIMET and others in the titanium industry were bringing new facilities on line.

These conditions, compounded by a strike against TIMET during the fourth quarter, caused the affiliate to report a net loss of \$2,545,000 for the year and to omit the payment of a dividend to its two corporate parents, Allegheny Ludlum Steel Corporation and National Lead Company.

The strike was settled early in 1969, and normal production was resumed against an encouraging backlog of orders. With the pace of incoming orders increasing, the use of the metal is expected to resume the rate of growth of previous years. Each successive model of aircraft uses more titanium than the last. The Lockheed C-5A, the Boeing 747, and the McDonnell-Douglas DC-10 are large users of titanium, as are current production models of military aircraft. Considerably greater usage of titanium on super-size aircraft still appears to be ahead. Advanced military aircraft, such as the Grumman F14A, will require significant quantities of titanium in both the engine and airframe.

The capital expansion program begun in 1966 was largely completed in 1968 and places TIMET in a good position to supply the increased quantities of quality titanium needed for the new generation of high performance aircraft, their advanced jet engines, and other industrial applications.

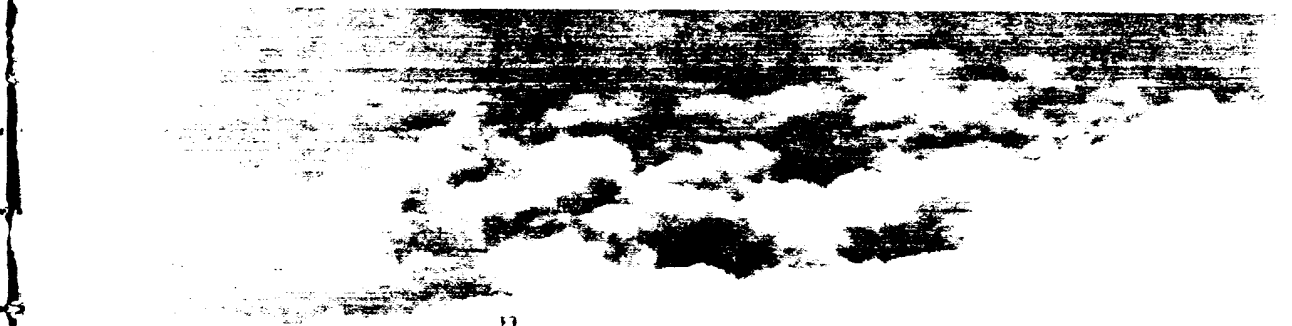
Sales by affiliates producing oil well drilling materials in North Africa, the Caribbean area, and South America were ahead of the 1967 levels.

In Australia, Mineral Deposits Limited began a new expansion program to meet the increased demand for rutile ore caused by the growing volume of chloride process titanium dioxide produced by National Lead.

A view of the Canadian Titanium Pigments Ltd. plant at Varennes, Quebec. In the right foreground is the new chloride process plant, scheduled for completion in late spring.

At Nordenham, West Germany, the new sulfate process titanium pigment plant is expected to be in production this summer.

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Financial Report

Sales: Sales in 1968 amounted to \$858,195,000, compared to \$818,905,000 in 1967 which represents an increase of 5%.

	1968	1967
United States	\$743,259,000	\$725,660,000
Foreign	114,936,000	93,245,000
	<u>\$858,195,000</u>	<u>\$818,905,000</u>

Sales for 1967 are restated to include sales of the Company's majority owned domestic subsidiaries. (See Note 1 to the Financial Statements).

Sales percentages by major categories in 1968 and 1967 were as follows:

	1968	1967
Titanium pigments	23%	23%
Die castings	18	18
Metal products	27	29
Bearings	5	4
Chemicals and plastics	9	8
Oil well materials and services	8	8
Paints	5	5
Miscellaneous	5	5
	<u>100%</u>	<u>100%</u>

Earnings: Net income for 1968 totaled \$49,985,000 or \$4.15 per share. Comparative earnings of the United States and foreign operations were as follows:

	1968	1967
United States	\$ 39,410,000	\$ 40,852,000
Foreign	10,575,000	10,408,000
Income before extraordinary item	49,985,000	51,260,000
Extraordinary item, net of tax	—	3,049,000
Net income	<u>\$ 49,985,000</u>	<u>\$ 54,309,000</u>
Per share of common stock:		
Income before extraordinary item	\$4.15	\$4.28
Extraordinary item, net of tax	—	.25
Net income	<u>\$4.15</u>	<u>\$4.53</u>

Major factors affecting the earnings in 1968 were the Federal income tax surcharge, which amounted to 33 cents per share, and the seven-week strike at the five operating plants of the Doehler-Jarvis Division.

Dividends: Dividend payments by the Company during 1968 continued at the 1967 level of \$3.25 per share. Total cash dividends paid in 1968 and 1967 amounted to \$39,062,000 and \$38,786,000, respectively. These payments include minor amounts in both years paid by companies prior to acquisition. National Lead Company has paid cash dividends on its common stock every year since 1906. The Board of Directors declared on January 28, 1969 an increase in the quarterly dividend from 75 cents per share to 85 cents per share. The Board stated that it intends to declare dividends for 1969 on a regular quarterly basis. In 1968 quarterly dividends of 75 cents per share were paid in the first three quarters along with a year end fourth quarter payment of \$1.00, for a total of \$3.25 per share. The Board of Directors has approved a proposal to split the common stock of the Company on a two-for-one basis. The proposal will be submitted to the vote of the shareholders of the Company at their forthcoming annual meeting on April 17, 1969.

Financial Position: The Company continued to maintain its strong financial position during 1968. As of December 31, 1968, National Lead's capitalization consisted of \$404,764,000 of shareholders' equity and \$54,761,000 of long term debt. Total assets increased to \$605,862,000 at December 31, 1968 as compared to \$588,803,000 at December 31, 1967. At December 31, 1968, net assets of consolidated foreign subsidiaries aggregated \$94,988,000. The ratio of current assets to current liabilities was maintained at 3 to 1 at December 31, 1968.

Working Capital: Working capital at year end amounted to \$215,904,000 as compared to \$229,664,000 at December 31, 1967.

	1968	1967
United States	\$174,706,000	\$191,587,000
Foreign	41,198,000	38,077,000
	<u>\$215,904,000</u>	<u>\$229,664,000</u>

The utilization of working capital is shown on the Consolidated Source and Application of Funds statement on page 23.

Inventories: Inventories at the end of 1968 amounted to \$166,693,000, an increase of \$2,242,000 over the comparable 1967 amount.

A comparative summary follows:

	1968	1967
Raw materials	\$ 46,542,000	\$ 42,094,000
Finished and in process	105,204,000	106,946,000
Supplies	14,947,000	15,411,000
	<u>\$166,693,000</u>	<u>\$164,451,000</u>

Taxes on Income: The Company's United States income tax returns for all years through 1964 have been examined and settled with the Internal Revenue Service. The liability for taxes on income covers both United States and foreign subsidiaries and the Company believes that adequate provision has been made for all years not yet examined.

Property, Plant and Equipment: During the year 1968, the Company invested \$45,010,000 in new plant and equipment. Major expenditures were made for the Company's titanium pigment operations at Nordenham, West Germany, and Varennes, Canada. The Chas. Taylor's Sons Company also completed a major expansion of its facilities in South Shore, Kentucky.

	1968	1967
Manufacturing properties		
Land	\$ 12,162,000	\$ 11,107,000
Buildings	130,656,000	120,480,000
Machinery and equipment	327,558,000	291,522,000
Mining properties	38,660,000	38,419,000
Intangibles not being amortized	22,492,000	22,492,000
	<u>531,528,000</u>	<u>484,020,000</u>
Less reserves	278,645,000	257,960,000
	<u>\$252,883,000</u>	<u>\$226,060,000</u>

Manufacturing properties are depreciated principally on the straight line method; mining properties are depleted on either the unit of production or the straight line method.

Long Term Debt: At year end 1968 long term debt amounted to \$54,761,000, compared to \$50,044,000 at December 31, 1967. The composition of long term debt at December 31 follows:

	1968	1967
4½ % subordinated debentures due in annual installments of \$850,000 through 1973 and \$1,297,000 thereafter to April 1988 .	\$ 24,876,000	\$ 26,150,000
6½ % deutsche mark bearer bonds, due 1972 through 1979	15,000,000	15,000,000
5½ % to 7½ % bank loans	11,133,000	5,536,000
Other	3,752,000	3,358,000
	<u>\$ 54,761,000</u>	<u>\$ 50,044,000</u>

The debentures outstanding at December 31, 1968 and 1967 are after deducting \$3,287,000 and \$2,863,000, respectively, representing the principal amount of debentures held by the Company.

Early in 1969 the Company borrowed \$38,000,000 from banks, which was used to purchase 99% of the outstanding stock of the Lake View Trust and Savings Bank, Chicago, Illinois.

Consolidated Balance Sheet**Assets**

	<i>December 31</i>	
	1968	1967
Current assets:		
Cash, including time deposits	\$ 36,787,000	\$ 45,244,000
Marketable securities, at cost which approximates market	2,610,000	13,136,000
Accounts and notes receivable, less allowances of \$2,410,000 in 1968 and \$2,301,000 in 1967	116,168,000	106,773,000
Inventories (Note 2)	166,693,000	164,451,000
Prepaid expenses	<u>2,090,000</u>	<u>2,247,000</u>
Total current assets	<u>324,348,000</u>	<u>331,851,000</u>
Investments:		
Unconsolidated subsidiaries and associated companies (Note 3)	20,254,000	20,574,000
Other investments, at cost less reserve	2,946,000	4,814,000
Property, plant and equipment, at cost, less accumulated depreciation and depletion of \$278,645,000 in 1968 and \$257,960,000 in 1967 (See page 19)	252,883,000	226,060,000
Other assets	<u>5,431,000</u>	<u>5,504,000</u>
	<u>\$605,862,000</u>	<u>\$588,803,000</u>

Reference is made

Liabilities*December 31***1968****1967**

Current liabilities:

Loans payable	\$ 23,510,000	\$ 11,674,000
Accounts payable and accrued liabilities	64,021,000	58,849,000
Taxes on income	<u>20,913,000</u>	<u>31,664,000</u>
Total current liabilities	108,444,000	102,187,000
Long term debt (See page 19)	54,761,000	50,044,000
Deferred taxes on income (related principally to accelerated depreciation)	16,213,000	15,953,000
Other long term liabilities and reserves (Note 2)	14,607,000	13,745,000
Minority interest	7,073,000	7,234,000

Shareholders' Equity (Notes 1 and 4)

Common stock, par value \$5; shares authorized 30,000,000, issued 12,087,359 shares in 1968 and 12,086,309 shares in 1967	60,437,000	60,432,000
Capital surplus	32,590,000	36,115,000
Retained earnings	<u>323,286,000</u>	<u>309,873,000</u>
	416,313,000	406,420,000
Less treasury stock, at cost: 1968, 171,994 shares; 1967, 105,257 shares	<u>11,549,000</u>	<u>6,780,000</u>
	<u>404,764,000</u>	<u>399,640,000</u>
	<u>\$605,862,000</u>	<u>\$588,803,000</u>

See accompanying notes.

National Lead Company

Consolidated Statement of Income and Retained Earnings

	<i>Years ended December 31</i>	
	1968	1967
Revenues:		
Net sales	\$858,195,000	\$818,905,000
Other	8,760,000	8,176,000
	<u>866,955,000</u>	<u>827,081,000</u>
Costs and expenses:		
Cost of goods sold	623,304,000	592,455,000
Depreciation, depletion, and amortization	18,187,000	20,120,000
Selling, general, and administrative	122,871,000	115,329,000
Interest	3,753,000	2,761,000
Minority interest in net income of subsidiaries	664,000	839,000
	<u>768,779,000</u>	<u>731,504,000</u>
Income before taxes on income	98,176,000	95,577,000
Taxes on income	48,191,000	44,317,000
Income before extraordinary item	49,985,000	51,260,000
Extraordinary gain on sale of certain fixed assets, less applicable taxes of \$1,083,000	—	3,049,000
Net income	49,985,000	54,309,000
Retained earnings at beginning of year :		
National Lead Company	309,873,000	294,350,000
Companies acquired in poolings of interests (Note 1)	5,607,000	—
	<u>365,465,000</u>	<u>348,659,000</u>
Less:		
Dividends paid by:		
National Lead Company—\$3.25 per share	38,880,000	38,410,000
Companies acquired prior to pooling	182,000	376,000
Poolings of interests adjustments (Note 1)	3,117,000	—
Retained earnings at end of year	<u>\$323,286,000</u>	<u>\$309,873,000</u>
Income per common share:		
Before extraordinary item	\$4.15	\$4.28
Extraordinary item	—	.25
Net income	<u>\$4.15</u>	<u>\$4.53</u>

Reference is made to accompanying notes.

Consolidated Statement of Source and Application of Funds*Year Ended December 31, 1968*

Source:

Net income	\$ 49,985,000	
Depreciation	18,187,000	
Treasury stock issued for companies acquired	8,482,000	
Long term borrowings	5,991,000	
Decrease in investments	2,188,000	
Other	<u>4,000</u>	\$ 84,837,000

Application:

Capital expenditures	45,010,000	
Dividends paid	39,062,000	
Purchase of treasury stock	13,251,000	
Purchase of National Lead debentures	<u>1,274,000</u>	<u>98,597,000</u>

Decrease in working capital	13,760,000
Working capital at beginning of year	<u>229,664,000</u>
Working capital at end of year	<u>\$215,904,000</u>

Represented by:

Current assets	\$324,348,000	
Current liabilities	<u>108,444,000</u>	<u>\$215,904,000</u>

Reference is made to accompanying notes.

Notes to Financial Statements

1. The consolidated financial statements include the accounts of the Company, all domestic subsidiaries and major wholly owned foreign subsidiaries translated at appropriate rates of exchange. Pertinent financial data regarding foreign subsidiaries is shown on pages 18 and 19. During the year, the Company extended its consolidation policy to include the accounts of majority owned domestic subsidiaries on a fully consolidated basis. The financial statements for 1967 have been restated on a comparable basis. This change in reporting practice did not affect 1967 reported earnings since the Company previously reflected its investments in these subsidiaries at its equity in the underlying net assets and included in income its equity in the net income of such subsidiaries.

During 1968, the Company exchanged a total of 133,063 shares of its treasury stock for all of the outstanding stock of Edgar Plastic Kaolin Co., Inc., Cochrane Foundry, Inc. and The Bunting Brass and Bronze Co. These acquisitions have been accounted for as poolings of interests and, accordingly, the results of operations for 1968 include the net income of these companies for the entire year. No adjustment has been made for prior years since the effect would not be material. As a result of these transactions, capital surplus and retained earnings were charged \$3,590,000 and \$3,117,000, respectively, representing principally the appropriate portion of the excess of the cost of treasury shares issued over the aggregate paid in capital of the acquired companies.

2. Inventories are valued at the lower of cost (using average, first-in first-out, or last-in first-out methods) or market. The Company also maintains an inventory reserve, amounting to \$12,271,000 at December 31, 1968, on the basis of specific quantities and fixed prices for certain normal stocks which is included in other long term liabilities and reserves.

3. Investments in unconsolidated subsidiaries, comprising majority owned foreign companies, are carried at cost less reserves which, in the aggregate, approximate the Company's equity in related underlying net assets. The Company's equity in the underlying net assets of its associated 50 per cent owned companies exceeded the cost of its investments by approximately \$19,113,000 at December 31, 1968 and \$20,900,000 at December 31, 1967.

4. On April 18, 1968, the shareholders approved an increase in the authorized shares of common stock from 20,000,000 to 30,000,000 and the authorization of 5,000,000 shares of preferred stock without par value. The rights of this preferred stock as to dividends, redemption, liquidation and conversion will be determined upon issuance.

At the same meeting, the shareholders approved the 1968 Stock Option Incentive Plan under which 350,000 shares of

the Company's common stock will be reserved for issuance to officers and to other key employees. Under the plan, options may be granted to purchase common stock at 100% of the market price at the date of grant and are exercisable over a period of five years from date of grant.

Under the Stock Option Incentive Plan adopted in 1958 options have been granted to certain officers and key employees to purchase common stock at 95% of the market price at dates of granting such options. The period during which options could be granted expired in 1963 and all outstanding options expire in or before March 1970.

Details of shares under option at December 31, 1968 and transactions during the year follow:

	1968 Plan	1958 Plan
Balance at Jan. 1, 1968	—	65,990
Granted	71,000	—
Expired	—	(13,425)
Exercised	(200)	(850)
Balance at Dec. 31, 1968	<u>70,800</u>	<u>51,715</u>
Price per share:		
Shares granted	\$62 to \$63	—
Shares exercised	\$62	\$68
Outstanding at Dec. 31, 1968 ..	\$62 to \$63	\$68 to \$90
Shares exercisable	<u>70,800</u>	<u>51,715</u>
Available for future options		
at Dec. 31, 1968	<u>279,000</u>	<u>—</u>

In connection with the acquisition of The Bunting Brass and Bronze Company, the Company granted to holders of stock options previously granted by Bunting, substitute stock options to purchase 1,567 shares of common stock of the Company at \$41 per share. These options are exercisable.

The excess of the net proceeds for options exercised over the par value of stock issued amounting to \$65,000 has been credited to capital surplus.

5. The Company and its subsidiaries have various pension plans covering the majority of their employees. Total pension costs approximated \$8,500,000 in 1968 and \$7,900,000 in 1967.

Current service costs under the plans are charged to income as they accrue and are funded as to the major plans. The major portion of prior service costs is being charged to income and funded over a period of thirty years. Unfunded vested benefits at December 31, 1968 amounted to approximately \$18,000,000.

Report of Certified Public Accountants

Lybrand, Ross Bros. & Montgomery
Certified Public Accountants
2 Broadway, New York, N.Y.

To the Shareholders of
National Lead Company
New York, N.Y.

We have examined the consolidated balance sheet of NATIONAL LEAD COMPANY and its Consolidated Subsidiaries as of December 31, 1968 and the related consolidated statements of income and retained earnings and of source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We were furnished reports of other public accountants upon their examinations of the financial statements of certain consolidated and unconsolidated subsidiaries and fifty per cent owned companies. Our opinion expressed herein, insofar as it relates to the amounts included for such subsidiaries and companies, is based solely upon such reports. We made a similar examination of the financial statements of the Company and its Consolidated Subsidiaries for the year 1967, which have been restated, with our approval, as indicated in Note 1 to the financial statements.

In our opinion, the aforementioned financial statements present fairly the consolidated financial position of National Lead Company and its Consolidated Subsidiaries at December 31, 1968 and 1967, the consolidated results of their operations for the years then ended and the source and application of funds for the year 1968, all in conformity with generally accepted accounting principles applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

New York, February 18, 1969

National Lead Company

Ten Year Review of Operations

	1968	1967	1966	1965
Net sales	\$858,195,000	\$818,905,000	\$865,687,000	\$819,772,000
Income before taxes	98,176,000	95,577,000	113,379,000	111,723,000
Net income	49,985,000	54,309,000*	61,634,000	59,673,000
Per common share	4.15	4.53 *	5.11	5.10
Dividends paid on common shares	39,062,000	38,786,000	38,296,000	38,072,000
Per common share	3.25	3.25	3.25	3.25
Current assets	324,348,000	331,851,000	310,311,000	296,548,000
Current liabilities	108,444,000	102,187,000	97,721,000	97,599,000
Working capital	215,904,000	229,664,000	212,590,000	198,949,000
Property, plant and equipment, net	252,883,000	226,060,000	214,725,000	196,134,000
Property expenditures	45,010,000	32,860,000	32,440,000	41,096,000
Depreciation	18,187,000	20,120,000	18,447,000	16,973,000
Total assets	605,862,000	588,803,000	570,754,000	520,861,000
Shareholders' equity	404,764,000	399,640,000	388,586,000	356,956,000

1967 and prior years' have been restated as explained in Note 1 to the financial statements.

*Includes extraordinary income of \$3,049,000 (after income taxes of \$1,083,000) or \$.25 per share.

	1964	1963	1962	1961	1960	1959
000	735,189,000	\$664,606,000	\$615,269,000	\$599,357,000	\$604,551,000	\$576,856,000
000	108,086,000	96,888,000	95,853,000	100,135,000	101,873,000	103,229,000
000	56,763,000	50,116,000	49,546,000	52,157,000	52,676,000	53,006,000
10	4.85	4.25	4.05	4.27	4.32	4.35
000	38,036,000	38,049,000	38,034,000	38,017,000	38,012,000	37,947,000
25	3.25	3.25	3.25	3.25	3.25	3.25
000	300,974,000	276,069,000	270,275,000	263,656,000	248,402,000	226,539,000
000	99,600,000	91,461,000	80,280,000	80,918,000	75,353,000	72,324,000
000	201,374,000	184,608,000	189,995,000	182,738,000	173,049,000	154,215,000
000	174,961,000	170,263,000	171,696,000	171,595,000	168,222,000	152,410,000
5,000	20,447,000	14,558,000	15,712,000	18,241,000	25,525,000	9,001,000
3,000	16,286,000	15,523,000	15,159,000	14,349,000	14,373,000	11,756,000
1,000	497,296,000	467,264,000	460,973,000	452,710,000	436,640,000	402,913,000
6,000	339,744,000	320,873,000	360,737,000	354,576,000	341,767,000	311,092,000

Divisions,
Subsidiaries,
and
Affiliates



Divisions

AMERICAN BEARING DIVISION. Indianapolis, Ind. *Precision bearings (Sold through American Bearing Corporation)*

BAROID DIVISION. Houston, Tex. *Oil well drilling materials, well logging services and testing equipment; chemicals for the petroleum industry and gellants for grease*

DELORE DIVISION. St. Louis, Mo. *Barium and calcium pigments*

DOEHLER-JARVIS DIVISION. Toledo, O. *Aluminum, brass, magnesium, and zinc die castings*

EVANS LEAD DIVISION. Charleston, W. Va. *Lead oxides*

GOLDSMITH DIVISION. Chicago, Ill. *Precious metals*

LANDOVER MANUFACTURING DIVISION. Landover, Md. *Cast acrylic sheeting*

MAGNUS METAL DIVISION. New York, N.Y. *Brass and bronze bearings and castings, aluminum castings (Sold through Magnus Metal Corporation)*

MASTER METALS DIVISION. Detroit, Mich. and Cleveland, Ohio. *Lead and lead alloys (Sold through Master Metals Inc.)*

METAL DIVISION. New York, N.Y. *Antimony cadmium, lead, and zinc metals; fabricated lead products and alloys*

NUCLEAR DIVISION. Albany, N.Y. *Uranium ore concentrates and nuclear feed materials; fuel*

elements; fabricated uranium products; nuclear research, development and transportation services

PAINT DIVISION. New York, N.Y. *Dutch Boy Paints*

PIGMENTS AND CHEMICALS DIVISION. New York, N.Y. *Antimony oxide, lead pigments and chemicals; battery oxides and separators; gellants; stabilizers*

SOUTHERN SCREW DIVISION. Statesville, N.C. *Screws and metal fasteners (Sold through Southern Screw Company)*

STEEL PACKAGE DIVISION. St. Louis, Mo. *Small steel containers*

TEXAS MINING AND SMELTING DIVISION. Laredo, Tex. *Antimony and antimony oxide*

TITANIUM ALLOY MANUFACTURING DIVISION. New York, N.Y. *Zirconium oxide, silicates and chemicals; electronic titanates, zirconates, and stannates; ferrous and nonferrous alloys*

TITANIUM PIGMENT DIVISION. New York, N.Y. *Titanium pigments and chemicals; ilmenite and magnetite iron ore*

TOOL AND ENGINEERING DIVISION. Chicago, Ill. *Tools for sheet metal forming; complete models; prototypes assembly operations and engineering services*

Wholly Owned Domestic Subsidiaries

ALUMINUM MATCH PLATE CORPORATION. Kenmore, N.Y. *Aluminum castings*

AMOS-THOMPSON CORPORATION. Edinburg, Indiana. *Molded plastics; wood veneer and lumber*

COCHRANE FOUNDRY, INC. York, Pennsylvania. *Aluminum, bronze, and brass sand castings*

EDGAR PLASTIC KAOLIN COMPANY. Edgar, Florida. *Kaolin clay and glass sand*

FLOATING FLOORS INC. Toledo, O. *Elevated floors and site environmental systems*

NATIONAL LEAD COMPANY OF OHIO. New York, N.Y. *Contract-operator, Atomic Energy Commission*

NATIONAL LEAD OVERSEAS CAPITAL CORP. New York, N.Y. *European subsidiary financing*

THE BUNTING BRASS AND BRONZE COMPANY. Toledo, Ohio. *Bronze bushings, bars; special sintered bronze and iron parts*

THE CHAS. TAYLOR'S SONS COMPANY. Cincinnati, O. *High temperature refractories*

Partially Owned Domestic Affiliated Companies

LAKE VIEW TRUST AND SAVINGS BANK. Chicago, Ill. *Commercial Bank (99%)*

MORRIS P. KIRK & SON, INC. Los Angeles, Calif. *Aluminum, lead, and zinc alloys; fabricated lead products; lead oxides (76%)*

PIONEER ALUMINUM, INC. Los Angeles, Calif. *Aluminum aircraft extrusions; aluminum tooling plate (76%)*

R-N CORPORATION. New York, N.Y. *Direct reduction and beneficiation of iron ores (50%)*

THE BAKER CASTOR OIL COMPANY. Bayonne, N.J. *Castor oil, chemicals derived from castor oil; other oils and fats; chemical specialties (70%)*

TITANIUM METALS CORPORATION OF AMERICA. West Caldwell, N.J. *Titanium metal sponge ingot and mill products (50%)*

Wholly Owned Foreign Subsidiaries

tu- ta-	BARBER DIE CASTING CO. LIMITED. Hamilton, Canada. <i>Aluminum, brass, magnesium, and zinc die castings.</i>	KRONOS TITANIUM PIGMENTS LIMITED. London, England. <i>Titanium pigments</i>
loy	BAROID OF CANADA, LTD. Calgary, Canada. <i>Oil well drilling materials, well logging services and testing equipment</i>	LAKESHORE DIE CASTING, LIMITED. Guelph, Canada. <i>Aluminum and zinc die castings</i>
ew nts ors;	BAROID INTERNATIONAL, S.p.A. Rome, Italy. <i>Oil well drilling materials</i>	METAL CASTINGS DOEHLER LTD. Worcester, England. <i>Die castings</i>
.C. ugh	BAROID OF NIGERIA LIMITED. Lagos, Nigeria. <i>Oil well drilling materials</i>	PERUBAR, S.A. Lima, Peru. <i>Oil well drilling materials</i>
nall	BAROID (U.K.) LIMITED. London, England. <i>Oil well drilling materials</i>	PIGMENTOS MINERAIS INDUSTRIAL e COMERCIAL PIGMINA S.A. Salvador, Brazil. <i>Oil well drilling materials</i>
La-	CANADIAN TITANIUM PIGMENTS, LIMITED. Montreal, Canada. <i>Titanium pigments; gellants; lead pigments; stabilizers; zirconium and titanium compounds</i>	SOCIÉTÉ BELGE DU TITANE S.A. Brussels, Belgium. <i>Titanium pigments; gellants; lead pigments</i>
ION. ates- on- ous	CHAS. TAYLOR SONS S.A. Brussels, Belgium. <i>High temperature refractories</i>	THE TITANIUM ALLOY MANUFACTURING CO. PTY. LIMITED. Tweed Heads, Australia. <i>Rutile and zircon ores</i>
J.Y. nite	HOYT METAL COMPANY OF GREAT BRITAIN, LTD. London, England. <i>Antifriction metals</i>	TITAN CO. A/S. Fredrikstad, Norway. <i>Titanium pigments; gellants; lead pigments; stabilizers</i>
, III. lete and	INDUSTRIAS DERIPLOM S.A. Buenos Aires, Argentina. <i>Lead oxides</i>	TITANGESELLSCHAFT m.b.H. Leverkusen, West Germany. <i>Titanium pigments; gellants; lead pigments</i>
	KRONOS TITAN N.V. Rotterdam, The Netherlands. <i>Titanium pigments; gellants; lead pigments</i>	TITANIA A/S. Hauge i Dalane, Norway. <i>Ilmenite</i>

Partially Owned Foreign Affiliated Companies

ork. rky	ABBAY CHEMICALS LIMITED. London, England. <i>Gellants; stabilizers for vinyl plastics (51%)</i>	NATIONAL LEAD COMPANY S.A. Buenos Aires, Argentina. <i>Lead and lead products (100%)</i>
New	BAROID OF LIBYA, LTD. Benghazi, Libya. <i>Oil well drilling materials (49%)</i>	NATIONAL LEAD COMPANY OF THAILAND LTD. Bangkok, Thailand. <i>Paints and related products (51%)</i>
ANY. ecial	BAROID de VENEZUELA, S.A. Caracas, Venezuela. <i>Oil well drilling materials (89%)</i>	QUEENSLAND TITANIUM MINES PTY. LTD. Tin Can Bay, Queensland, Australia. <i>Rutile and zircon ores (75%)</i>
acin-	BARYTES & MINERALS LIMITED. Trinidad, British West Indies. <i>Oil well drilling materials (50%)</i>	SCHRAUBENFABRIK NEUSTADT GOETZ & CIE G.m.b.H. Neustadt, West Germany. <i>Screws and metal fasteners (99%)</i>
	DERIVES DU TITANE, S.A. Langerbrugge, Belgium. <i>Titanium pigments (82%)</i>	SOCIÉTÉ INDUSTRIELLE DU TITANE. Paris, France. <i>Titanium and lead pigments (80%)</i>
	INDUSTRIAS DOEHLER DO BRAZIL, S.A. Sao Paulo, Brazil. <i>Die castings (80%)</i>	THE CANADA METAL COMPANY LIMITED. Toronto, Canada. <i>Lead oxides, fabricated lead products; lead and zinc alloys; brass and bronze products (50%)</i>
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onne. cas- ecial-	MINERAL DEPOSITS LIMITED. Sydney, Australia. <i>Rutile and zircon ores (85%)</i>	
RICA. onge-	NATIONAL LEAD COMPANY (PHILIPPINES), INC. Manila, Philippines. <i>Paints and related products (51%)</i>	

Figures in parentheses represent percentage of voting securities owned.

Printed in U.S.A.

0000-NLI-000018850

