THE GLIDDEN COMPANY

1396 UNION COMMERCE BUILDING

CLEVELAND 14, OHIO

February 21, 1955

To the Shareholders of The Glidden Company:

Over 77 per cent of the 2,293,455 shares of our Company's outstanding stock were represented either in person or by proxy, at our Thirty-Seventh Annual Meeting of Stockholders held in Cleveland on February 10, 1955.

After a resolution providing for the election of ten directors was adopted, the following directors were elected to hold office until the next Annual Meeting and until their successors are elected and qualified:

Dwight P. Joyce	John H. Weeks
Paul E. Sprague	Robert D. Horner
John P. Ruth	William G. Phillips
Alexander D. Duncan	Willard C. Lighter
B. W. Maxey	Harvey L. Slaughter

A resolution was adopted amending the Amended Articles of the Company by changing the authorized shares without par value to shares having a par value of $10 each, as proposed in the Proxy Statement mailed to our stockholders January 11. A total of 1,778,064 shares were voted for the resolution, and 5,243 shares were voted against the resolution. This change will benefit all of our stockholders by reducing the Federal stamp taxes incurred in transferring shares of our Company's stock.

A resolution amending the Code of Regulations of the Company as proposed and more fully explained in the Proxy Statement was also adopted. On the first of the two proxy proposals pertaining to the amendments covered by this resolution, the votes of 1,780,252 shares were cast in favor of the change in the fiscal year of the Company and date of the Annual Meeting of Stockholders. Holders of 3,055 shares voted against these changes. The second proxy proposal pertaining to the amendments changing the duties of certain officers and the powers of the Executive Committee, as well as the other changes in the Regulations, received the affirmative vote of 1,770,502 shares. A total of 12,530 shares were voted against these provisions.

A resolution approving the designation of Ernst & Ernst as auditors for the Company was adopted by the affirmative vote of the holders of 1,779,926 shares. The holders of 3,381 shares voted against this designation.

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The management of our Company wishes to express its sincere appreciation for the loyalty and personal interest shown by the more than 13,000 shareholders who were present in person or by proxy at our Annual Stockholders' Meeting. We wish to thank particularly the many stockholders and investors who have called upon or written us to express their interest in our Company's future growth, as well as the many shareholders who have so very kindly written to commend our management on the fine quality of the products of all of our Divisions, on our 1954 Annual Report, and on the continued successful and progressive operation of our Company's business.

Very truly yours,

ROBERT D. HORNER,
Secretary

The operations and progress of our Company during the fiscal year ended October 31, 1954, as reported to the stockholders in the Company's 37th Annual Report, were briefly reviewed by our President, Mr. Dwight P. Joyce. Mr. Joyce stated that a preliminary report on the operations of the Company for the first quarter of the current fiscal year showed a substantial increase in sales over the same period last year.

In answer to questions read by the Secretary as presented in a letter from a stockholder, the President stated that amounts expended by the Company for advertising approximated two per cent to two and one-half per cent of the Company's total sales. In response to a question by the same stockholder as to whether the Company made or lost money on the sales of certain plants and business as reported in the Annual Report, Mr. Joyce said that our Company made money on these transactions. Upon being requested to disclose the purchase price of our recently acquired Mound City Division, he stated that the Company preferred that this information not be made public at this time for competitive reasons, but that the purchase price was one which would allow the Company a very satisfactory return on its investment. In reply to other questions by this stockholder, he reported that the Company, as of October 31, 1954, had 19,174 stockholders of record and 6,178 employees; that none of the Divisions of our Company were being operated in the "red"; and that the book value of the Company's stock was $33.54 per share. The book value of our stock on October 31, 1953, was $32.44 per share.

No further questions were presented and the meeting thereupon adjourned.

At the Annual Directors' Meeting following our Stockholders' Meeting, Mr. Dwight P. Joyce was elected to the position of Chairman of the Board of Directors and re-elected President of the Company. As Chairman, Mr. Joyce succeeds to the position filled by his father, the late Mr. Adrian D. Joyce, until the latter's death last August.

The Board of Directors also declared a regular quarterly dividend of fifty cents a share on the Common Stock of the Company, payable April 1 to stockholders of record February 28.

Since our meeting we have received reports covering the operations of our Divisions for our fiscal quarter ended January 31, 1955. These reports show an increase of approximately six and one-half per cent in both sales and profits over the same period last year. Net sales for the quarter totaled $50,300,473 compared with $47,227,166 reported for the first quarter last year. Net income for this period was $1,390,547 against $1,306,141 last year. Per share earnings were equal to 61 cents compared to 57 cents for the 1954 quarter. All of our Divisions shared in this increase. Our current operations are continuing at the same excellent level.

Our Chairman and President has recently announced that in recognition of the growing importance of our Company's Chemicals-Pigments-Metals Division's operations, our new titanium dioxide plant at Marley Neck, Baltimore, Maryland, will be named the Adrian Joyce Works in honor of our Company's founder. Construction of the first of three large manufacturing units to be included in this project is now well under way.

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Very truly yours,

ROBERT D. HORNER,
Secretary

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