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Highlights

(All amounts in thousands except data per share and number of shareowners)

	1970	1969
Sales and Other Revenues	$155,216	$144,773
Earnings from Consolidated Operations	4,749	4,838
Equity in Earnings of 50%-Owned Companies	1,550	1,753
Net Earnings	6,299	6,591
Earnings per Share of Common Stock	1.54	1.61
Additions to Land, Buildings and Equipment	11,372	6,626
Shareowners' Investment	73,798	71,853
Number of Shareowners, December 31	14,062	13,696
Average Shares of Common Stock Outstanding	4,090	4,092
Dividends per Common Share	1.00	.95



Atlas Chemical Industries, Inc. 1970 Annual Report

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To Our Shareowners

Your Company did well in 1970 despite the recession in the domestic economy. Consolidated sales and other revenues were 7 percent above 1969 and set a new high for the thirteenth consecutive year.

Consolidated net earnings for the year were 4 percent below the record level of 1969. In the first six months, earnings set a new high for the period. However, they were sharply lower in the second half, owing to the recession's adverse effect on chemicals business and cutbacks in defense programs. Offsetting the declines were strong performances by the Stuart Pharmaceuticals and International profit centers.

Capital expenditures totaled $11.4 million in 1970, up from $6.6 million in 1969. Most significant were outlays for the new Stuart Pharmaceuticals facility near Newark, Delaware. Strikes delayed construction, but startup is expected by mid-1971.

In 1970 we formed a Pollution Control Venture Department to define opportunities for Atlas in the pollution abatement field. In the wastewater treatment field we have an opportunity available to few with our new ATLASEP flocculants, useful in settling suspended solids, and our DARCO activated carbons which remove dissolved organic matter. This combination gives us a favorable starting position in an emerging growth industry. The flocculants are now in production in a pilot plant completed in the fourth quarter.

This year marks the tenth anniversary of our merger with The Stuart Company and our entrance into the ethical pharmaceuticals business. Stuart's progress since the merger is reviewed elsewhere in this Report. In sum, Stuart has grown at twice the rate of the ethical drug industry over the past decade. Sales have more than trebled and profits have increased more than fourfold. This growth we attribute to strengthened sales and market research organizations, an improved product mix, and provision of necessary support facilities. In addition, a medical research capability has been established to serve as a source of completely new products. As noted on page 5, Stuart's considerable growth has brought about an appreciable shift in the proportionate contributions of our four profit centers to Company earnings.

In 1971 we expect continuing improvement in the Stuart Pharmaceuticals and International contributions to earnings. However, we also anticipate a sharp drop in earnings from the combined Explosives / Aerospace / Ordnance business. The extent to which Chemicals profits recover will depend on the vigor of a resurging domestic economy. Therefore, for the year as a whole our earnings outlook is uncertain. In the first half of the year we do not expect to reach the record levels of the first two quarters of 1970. On the other hand, the last half should exceed the like period in 1970.

For the first time in seventeen years a familiar signature is missing from this letter. After almost forty-four years of distinguished service to Atlas, Ralph K. Gottshall retired at the beginning of the year in accordance with the Company's pension plan. His foresight and leadership during twenty years as a corporate officer played a vital role in transforming Atlas into a soundly diversified, growth oriented international Company.



President and
Chief Executive Officer

March 24, 1971

ATLAS CHEMICAL INDUSTRIES, INC

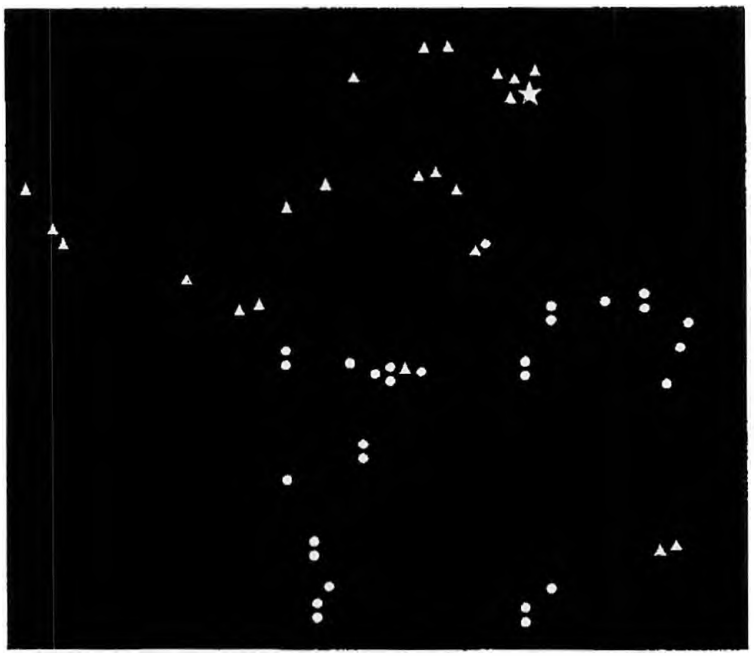
Five-Year Comparative Record

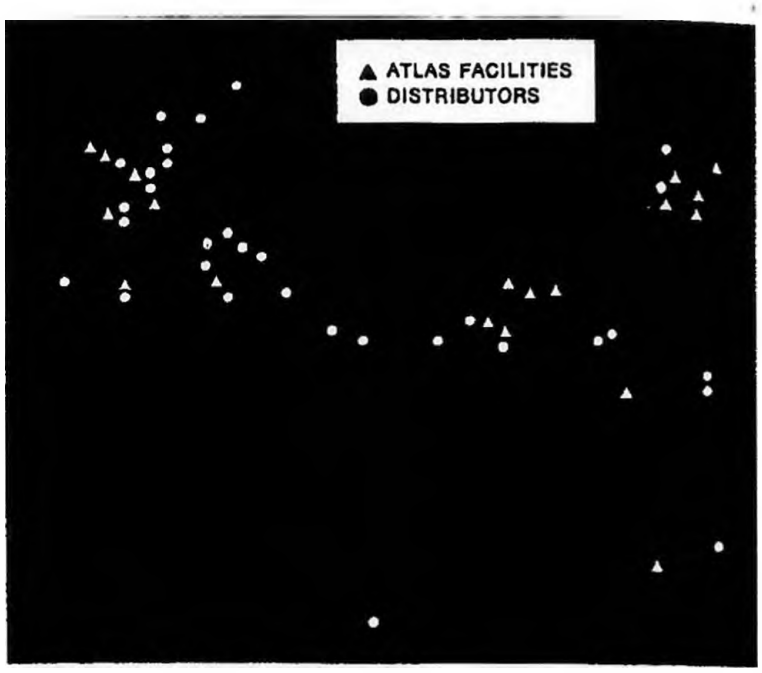
(All dollar amounts in thousands except data per share)

	1970	1969	1968	1967	1966
EARNINGS RESULTS FOR YEAR					
Sales and Other Revenues ..... $	155,216	144,773	134,573	120,050	115,184
Equity in Earnings of 50%-Owned Companies (a)					
Solar Nitrogen Chemicals, Inc.					
Leasing ..... $	235	316	105	...	...
Operating ..... $	...	...	(264)	(215)	319
Total Solar Nitrogen Chemicals, Inc. ..... $	235	316	(159)	(215)	319
Total International Affiliates ..... $	1,315	1,437	1,370	922	447
Total Equity in Earnings of 50%-Owned Companies $	1,550	1,753	1,211	707	766
Earnings from Consolidated Operations ..... $	4,749	4,838	4,328	3,943	5,073
Net Earnings (b) ..... $	6,299	6,591	5,539	4,650	5,839
Earnings per Share of Common Stock					
Equity in Earnings of 50%-Owned Companies ..... $	.38	.43	.30	.18	.19
Earnings from Consolidated Operations ..... $	1.16	1.18	1.07	.97	1.26
Net Earnings (b) ..... $	1.54	1.61	1.37	1.15	1.45
Net Earnings Excluding Equity in Solar Operations ... $	1.54	1.61	1.43	1.20	1.37
FINANCIAL CONDITION					
Working Capital ..... $	31,288	38,546	35,883	27,796	30,165
Current Ratio	1.98	2.77	2.78	2.30	3.00
Long-Term Debt ..... $	24,470	30,212	34,811	25,421	23,156
Net Debt to Total Net Debt and Equity	31.0%	28.5%	29.0%	35.0%	28.3%
LAND, BUILDINGS AND EQUIPMENT					
Total Value at Cost, December 31 ..... $	124,524	114,420	109,744	106,204	99,077
Accumulated Depreciation and Amortization					
December 31 ..... $	65,765	60,767	56,417	51,838	47,264
Net Book Value, December 31 ..... $	58,759	53,653	53,327	54,366	51,813
Additions During Year ..... $	11,372	6,626	5,451	8,778	12,617
Depreciation and Amortization for the Year ..... $	6,016	5,957	5,903	5,671	5,130
OWNERSHIP					
Shareowners' Investment, December 31 ..... $	73,798	71,853	68,323	65,948	64,533
Average Shares of Common Stock Outstanding ..... (000)	4,090	4,092	4,048	4,047	4,037
Book Value per Average Common Share ..... $	18.04	17.56	16.88	16.30	15.99
Dividends Paid During Year ..... $	4,091	3,892	3,238	3,238	3,224
Dividends Paid During Year per Common Share ..... $	1.00	.95	.80	.80	.80
Net Earnings Distributed as Dividends	64.9%	59.1%	58.5%	69.6%	55.2%
Earnings Retained in the Business ..... $	2,208	2,699	2,301	1,412	4,053
Number of Shareowners, December 31	14,062	13,696	15,111	15,974	16,640
Market Price per Common Share					
High ..... $	25⅛	31⅝	26¼	23⅞	25½
Low ..... $	18½	19¼	16¼	16	14⅝
EMPLOYEES OF PARENT COMPANY					
Number, December 31	5,012	5,275	5,313	5,374	5,018
Wages, Salaries and Other Employment Costs ..... $	52,038	49,891	47,251	43,508	40,080

(a) 1968 includes the equity in Solar Nitrogen Chemicals, Inc.'s operating results through June 30, leasing income for the period July to December due to the change in the conduct of Solar's business effective July 1.

(b) 1966 net earnings excludes $1,438,000 of nonrecurring net gain on sale of a portion of Giant plant real estate, less income taxes, equivalent to $.35 per common share.





FACILITIES *(Atlas Ownership)*

WESTERN HEMISPHERE

UNITED STATES

Anaheim, CA: Aerospace Sales Office

Atlanta, GA: Stuart Pharmaceuticals Sales Office

Chicago, IL: Chemicals and Stuart Pharmaceuticals Sales Offices

Joplin, MO: Explosives Sales Office; Industrial Explosives and Nitrogen Chemicals Plant

Kansas City, KS: Stuart Pharmaceuticals Sales Office

Knoxville, TN: Explosives Sales Office

Marshall, TX: Activated Carbon Plant; Darco Experimental Laboratory

Memphis, TN: Food Emulsifiers Plant

Newark, DE: Stuart Pharmaceuticals Plant and Distribution Center

New Castle, DE: ATLASEP Pilot Plant; Chemical Engineering Laboratories; Organic Chemicals Plant

New York, NY: Chemicals and Stuart Pharmaceuticals Sales Offices

Pasadena, CA: Headquarters, Stuart Pharmaceuticals Division, Sales Office, Laboratory, Plant and Distribution Center

San Mateo, CA: Explosives Sales Office

Tamaqua, PA: Industrial Explosives and Blasting Supplies Plants; Explosives Laboratory, Aerospace Plant

Valley Forge, PA: Headquarters, Aerospace Components Division, Sales Office, Laboratories and Plant

Wilmington, DE: Corporate General Office; Headquarters, Sales Offices, Chemicals, Explosives and International Divisions; Bio-Medical Research Laboratories, Chemical Research and Development Laboratories

CANADA

Atlas Chemical Industries, Canada, Ltd. (70%)
Brantford, Ont.: Sales Office, Chemicals Plant
Montreal, Que.: Sales Office
Vancouver, B. C.: Sales Office

LATIN AMERICA

Brazil: **Atlas do Brasil Produtos Quimicos Ltda.** (100%)
Rio de Janeiro: Sales Office
Sao Paulo: Sales Office

Mexico: **Atlas de Mexico, S.A.** (100%)
Mexico, D.F.: Sales Office
San Miguel: Industrial Explosives Plant
Canamex, S.A. (40%): (Sales by Atlas de Mexico, S.A.)
Puebla: Chemicals Plant

Nicaragua: **Industrias Quimicas Atlas de Centroamerica S.A.** (75%)
Leon: Sales Office, Chemicals Plant
Managua: Sales Office

U.S.A.: **Atlas Chemical Interamerica, Inc.** (100%)
Coral Gables, FL: Headquarters, Latin-American Operations

EASTERN HEMISPHERE

EUROPE

Belgium: **Atlas Chemical Industries S.A.** (100%)
Brussels: Management, Technical & Marketing Services
Chemurgie, G. m. b. H. (50% by Atlas Chemie)
Brussels: Sales Office

England: **Honeywill-Atlas Ltd.** (50%)
Carshalton: Sales Office, Laboratory, Chemicals Plant
Bibby Chemicals Ltd. (10%)
Liverpool: Sales Office, Laboratory, Chemicals Plant

France: **Atlas Chemical France S. A. R. L.** (100%)
Paris: Sales Office

Germany: **Atlas Chemie G. m. b. H.** (100%)
Essen: Sales Office, Laboratory, Chemicals Plant

Italy: **Atlas Europol S. p. A.** (100%)
Ternate: Sales Office, Laboratory, Chemicals Plant
Societa Milanese Industrie Chimiche S. p. A. (50% by Atlas Europol)
Varallo Pombia: Sales Office, Chemicals Plant

Spain: **Sinor-Kao, S. A.** (5%)
Barcelona: Sales Office, Laboratory, Chemicals Plant

INDIA

Indian Detonators Ltd. (50%)
Bombay, Maharashtra: Sales Office
Calcutta, West Bengal: Sales Office
Hyderabad, Andhra Pradesh: Sales Office, Laboratory, Blasting Supplies Plant
New Delhi: Sales Office
Rourkela, Orissa: Sales Office, Industrial Explosives Plant

The Mysore Industrial and Testing Laboratory Ltd. (66% by Indian Detonators Ltd.)
Bangalore: Sales Office, Laboratory, Pharmaceuticals Plant

FAR EAST

Japan: **Kao-Atlas Company, Ltd.** (49%)
Osaka: Sales Office
Tokyo: Sales Office, Laboratory
Wakayama: Laboratory, Chemicals Plant

Singapore: **Atlas Chemical International, Inc.** (100%)
Singapore: Sales Office

Taiwan: **Atlas Taiwan Corporation** (51%)
Kaohsiung: Industrial Explosives Plant
Taipei: Sales Office

AUSTRALASIA

Australia: **Imperial Atlas Ltd.** (50%)
Melbourne: Headquarters, Sales Office

PRINCIPAL PRODUCTS

ETHICAL PHARMACEUTICALS

- Antianginal agents (SORBITRATE: oral, sublingual, chewable)
- Anti-Caries preparations (MULVIDREN-F, CARI-TAB)
- Antinauseant (BUCLADIN)
- Gastrointestinal preparations (MYLANTA, MYLICON, NORMACID, KINESED)
- Hematinics (STUARTINIC, NEOTINIC, FERANCEE)
- Laxatives (DIALOSE, DIALOSE PLUS, EFFERSYLLIUM)
- Urinary tract infection therapy (SULADYNE)
- Vitamin and mineral products (STUART FORMULA, MULVIDREN, STUART PRENATAL, STUARTNATAL 1+1, OREXIN, MUCOPLEX, PROBEC, PROBEC-T)

CHEMICALS

- Polyols
  - Sorbitol (SORBO, ARLEX)
  - Mannitol
  - Industrial polyols (SUTRO)
- Surfactants
  - Sorbitan fatty acid esters (SPAN)
  - Alkoxylated sorbitan and sorbitol fatty acid esters (TWEEN, RENEX)
  - Alkoxylated adducts (BRIJ, MYRJ)
  - Mono- and diglycerides (ATMUL, ATMOS, ARLACEL)
  - Blends (TANDEM, TWEEN-MOS, ATLOX, ATPET, ATPLUS, MILSIZE, MILSOFT, MILSTAT, MILUBE)
- Polymers and Components
  - Unsaturated bisphenol-fumarate polyester resins (ATLAC)
  - Sorbitol polyethers (ATPOL)
- Purification Chemicals
  - Activated Carbon (DARCO)

INDUSTRIAL EXPLOSIVES

- High Explosives and Blasting Agents
  - Nitroglycerin and ammonia dynamites (AMMODYTE)
  - Gelatins and semi-gelatins (GIANT, GELODYN)
  - Permissible explosives (COALITE)
  - Seismic gelatins (PETROGEL)
  - Ammonium nitrate-fuel oil (ANFO) blends (PELLITE, GIANITE)
  - Slurries (AQUANAL, AQUARAM)
- Blasting Supplies
  - Instantaneous electric blasting caps
  - Delay electric blasting caps (ROCKMASTER, TIMEMASTER, KOLMASTER)
  - Seismic blasting caps (STATICMASTER)

AEROSPACE COMPONENTS

Actuators	Glass-to-Metal seals
Cutters	Igniters
Detonators	Primers
Drogue guns	Squibs
Electric matches	Switches

MARKETS, Typical Product Uses

ADHESIVES
Polyols for plasticizing animal glues.
Plasticizers for polyvinyl acetate adhesives.

AEROSPACE
Explosive-actuated, electro-mechanical devices.

AGRICULTURE
Emulsifiers for pesticide emulsifiable concentrates.
Wetting agents for pesticide formulations.
Adjuvants for herbicide formulations.

BAKERY PRODUCTS
Emulsifiers and conditioners for improved processing, retarding staling in bread, rolls, doughnuts, and better volume and baking control in cakes.

BEER
Activated carbon for removal of chill-haze precursors during brewing process.

BEVERAGES, ALCOHOLIC
Activated carbon for wine clarification and removal of undesirable oils from whiskey.
(See also "Beer")

BEVERAGES, NON-ALCOHOLIC
Sorbitol for added body, pleasant mouthfeel, and improved taste in dietetic drinks.
Activated carbon for removal of undesirable tastes and odors from water supplies.

CANDY
Sorbitol for longer shelf life of grained confections.
Sorbitol and mannitol for dietetic candies and sugarless chewing gums.
Emulsifiers for improving caramel chewing qualities, retarding loss of gloss, and improving palatability of fat-based cocoa products.

CHEMICAL PROCESSING
Activated carbon for removal of impurities.
Sorbitol for manufacture of surfactants, alkyds, and polyethers.

CLEANING COMPOUNDS
Emulsifiers, wetting agents, and detergents for laundry and dishwashing compounds, textile scouring, metal cleaning and degreasing.

COAL MINING
Explosives and blasting supplies.

CONSTRUCTION
Explosives and blasting supplies.
Urethane foam components for insulation, panelling, etc.
Polyester resins for fiber-reinforced corrosion-resistant equipment.
Asphalt and concrete additives.

COSMETICS
Sorbitol as humectant in toothpaste and for emollience and moisture-conditioning in creams and lotions.
Surfactants for creams, lotions, hair preparations, shampoos, toothpaste, antiperspirants, and gels.
Solubilizers for perfume oils.

DAIRY PRODUCTS
Surfactants for imparting dryness and promoting aeration in frozen desserts and whipped toppings.
Emulsifiers for imitation milk and coffee whiteners.

DRUG MANUFACTURING
Nitrate mixtures for treatment of angina pectoris.
Activated carbon for purification of vitamins, antibiotics, and other drugs.
(See also "Pharmaceutical Formulation")

DRY CLEANING
Activated carbon for solvent purification.
Detergents for removal of water-soluble soils.

ELECTRONICS
Glass-to-metal seals for small, intricate, electrical connections in computers, transformers, electronic communications devices, etc.

ELECTROPLATING
Activated carbon for removal of impurities from electroplating baths.

FATS AND OILS
Activated carbon for decolorization and deodorization.
Emulsifiers for shortenings and margarine.

FOODS
Emulsifiers and polyols for processed foods.
(See also "Bakery Products", "Beverages", "Beer", "Candy", "Dairy Products", "Fats and Oils", "Foods, Dietetic", and "Sugar Refining")

FOODS, DIETETIC
Sorbitol and mannitol to give added body, palatability, and taste.

FURNITURE
Polyethers and systems for high and low density urethane moldings.

GEOPHYSICAL PROSPECTING
Explosives and blasting supplies.

GLASS
Polyester binder resins for glass-fiber mat.

GLUE SPECIALTIES
(See "Adhesives", "Printing Trades")

HEALTH CARE
Ethical pharmaceuticals.

INSECTICIDES AND HERBICIDES
(See "Agriculture")

MINING
Explosives and blasting supplies.

PAINT
Sorbitol for synthesis of alkyds.
Emulsifiers for pigment dispersion, emulsion polymerization and thixotropic effects.

PETROLEUM
Corrosion inhibitors.
Emulsifiers for cutting oils, hydraulic fluid emulsions.
Detergent additives for gasoline.

PHARMACEUTICAL FORMULATION
Emulsifiers for creams, lotions and ointments.
Solubilizers for vitamins, flavor and perfume oils.
Sorbitol solution as vehicle for liquid oral preparations and moisturizer for creams, lotions, and ointments.
Mannitol as base for chewable tablets and excipient for moisture sensitive drugs.

PLASTICS
Unsaturated polyester resins for fiber-reinforced corrosion-resistant and fire retardant equipment.
Rigid urethane foam components.
Plasticizers, lubricants, anti-fog, and antistatic agents for production of plastic products.
Surfactants for polymerization.

PRINTING TRADES
Polyols to prevent prehardening of ink and dye pastes, and to plasticize animal glues and printers' rollers.
Surfactants for pigment dispersion.

QUARRYING
Explosives and blasting supplies.

REFRIGERATION
Polyethers and systems for rigid urethane foams for insulation of cold storage equipment and transport.

RUBBER
Activated carbon in white-wall tires to prevent staining from exudation.
Surfactants for processing of tire cord.

SUGAR REFINING
Activated carbon for removal of color and other impurities from cane, corn, and beet sugars.

TEXTILE PROCESSING
Surfactants for scouring, wetting, lubrication, softening, static prevention, dye leveling and retarding, and pigment dispersion.
Emulsifiers for waxes, oils, and other additives.
Formulated antistatic lubricants and detergents.

TEXTILE, SYNTHETIC FIBER PRODUCTION
Surfactant additives for viscose solutions and rayon spin baths.
Surfactants for formulation of producer finishes, antistats, softeners and lubricants.
Activated carbon for purification of nylon salts.

TOBACCO
Sorbitol solution as plasticizer and humectant.

TOOTHPASTE
(See "Cosmetics")

WATER PURIFICATION
Activated carbon to remove tastes and odors from water supplies and for treatment of industrial wastewater.