THE GLIDDEN COMPANY

CLEVELAND, OHIO

December 30, 1933

TO THE SHAREHOLDERS:

Herewith is submitted the annual report of The Glidden Company for the year ending October 31, 1933, as certified by Ernst & Ernst. There has been no change in the Company's established procedure in bookkeeping and accounting and the figures contained herein are accordingly comparable with the last annual report.

The net profits for the year, after interest, depreciation charges and all State and Federal taxes, amounted to $1,432,863.20 and, after allowing for payment of preferred dividends, were equivalent to $1.51 per share on the 650,000 shares of common stock outstanding.

All the properties of the Company have been maintained in excellent physical condition and the regular policy of charging depreciation has been followed. Total depreciation for the past fiscal year amounted to $479,028.88.

During the year the Company has acquired a modern and fully equipped vegetable oil refinery at Louisville, Kentucky which is being operated under the name of Van Camp Oil Products Company. This additional plant was purchased for cash at a very advantageous figure and rounds out the facilities of the Food Products Division.

The Company has taken advantage of the opportunities afforded by very low prices to accumulate larger inventories than usual at costs well below current markets.

The Company has continued to purchase its Five Year 5½% Gold Notes in the open market and has reduced the outstanding funded debt from $4,715,000 to $3,680,000.

While the past year has been a difficult one the Company has been able to meet the changing conditions and to earn a profit. The prospects for the ensuing year are very encouraging.

The Board of Directors and Officers desire to take this opportunity to thank the employees and executives in charge of operations whose efforts have contributed so substantially to the results as shown in the annual report.

By order of the Board of Directors,

ADRIAN D. JOYCE,

President.

ATED BALANCE SHEET

VELAND, AND SUBSIDIARIES

NESS OCTOBER 31, 1933

LIABILITIES

Current			
Notes Payable for Money Borrowed from Banks		$ 450,000.00	
Accounts Payable for Purchases, Pay Rolls, Etc.		709,549.58	
Accrued Taxes, Interest, Insurance, Royalties, Etc.		527,909.85	$ 1,687,459.43
Funded Debt			
Five Year 5½% Gold Notes (Due June 1, 1935):			
Issued	$ 6,000,000.00		
Less: Retired	2,500,000.00	$ 3,500,000.00	
First Mortgage 6% Bonds of Subsidiary Companies ($35,000.00 Due April 15, 1934)		180,000.00	3,680,000.00
Reserve			
For General Contingencies, Etc., including Deposits in Closed Banks			268,406.16
Nominal			
Capital Stock			
Prior Preference 7% Cumulative			
Authorized 75,000 Shares	$ 7,500,000.00		
Less: Unissued and Redeemed 10,000 Shares	1,000,000.00	$ 6,500,000.00	
Common—Without Par Value			
Authorized 800,000 Shares			
Outstanding 650,000 Shares			
Stated Capital $5.00 per Share		3,250,000.00	
Surplus			
Capital	$ 8,194,404.39		
Profit and Loss	3,903,360.33	12,097,764.72	21,847,764.72
			$ 27,483,630.31

(Note A) The Companies were reported as having letters of credit outstanding in the amount of $522,347.45 at October 31, 1933.

(Note B) This balance sheet is subject to the comments in our "Certificate," included in this report.

or market values at October 31, 1933. Test checks were made by us of the method of pricing and mathematical accuracy of inventory computations, but we made no verification of inventory quantities.

During the year the investment in California mining companies was increased in the amount of $13,553.73, representing cash advances made by the parent Company.

Provision has been made in the accompanying balance sheet for all ascertained liabilities of the Companies at October 31, 1933. Outstanding gold notes and first mortgage bonds payable were verified by direct correspondence with the trustees.

We have made a general review of the operating accounts for the year ended October 31, 1933 and include herewith consolidated operating statement and summary of surplus accounts for the year.

Subject to the foregoing, WE HEREBY CERTIFY, that in our opinion, based upon the records examined and information obtained by us, the accompanying balance sheet sets forth the financial position of THE GLIDDEN COMPANY—CLEVELAND, and SUBSIDIARIES, excepting the California mining companies, as of the close of business October 31, 1933, and the relative operating statement reflects the results from operations for the year then ended.

Very truly yours,
Ernst & Ernst, Certified Public Accountants

GLD002973

CONDENSED CONSOLIDATED OPERATING STATEMENT

THE GLIDDEN COMPANY—CLEVELAND, AND SUBSIDIARIES

For the Fiscal Year Ended October 31, 1933

Net Sales		
(Excluding inter-company and subsidiary sales and transfers)		$ 24,845,551.45
Profit Before Interest, Depreciation and Other Deductions		$ 2,397,206.08
Other Deductions—Net	$ 182,717.88	
Less:		
Discount on 5½% Gold Notes Purchased and Retired	110,886.13	71,831.75
		$ 2,325,374.33
Interest on Funded Debt		233,482.25
Profit Before Providing for Depreciation and Federal Income Tax		$ 2,091,892.08
Provision for Depreciation		479,028.88
Profit Before Federal Income Tax		$ 1,612,863.20
Provision for Federal Income Tax		180,000.00
	Net Profit	$ 1,432,863.20

SURPLUS ACCOUNTS

Capital Surplus		
Balance October 31, 1932		$ 8,167,458.17
Addition		
Excess of Selling Price Over Cost of 3,000 Shares of Common Stock Sold		26,946.22
	Balance October 31, 1933	$ 8,194,404.39
Profit and Loss—Surplus		
Balance October 31, 1932		$ 2,920,165.28
Net Profit from Operations for the Fiscal Year ended October 31, 1933		1,432,863.20
		$ 4,353,028.48
Dividends Paid—Prior Preference—7%		449,668.15
	Balance October 31, 1933	$ 3,903,360.33

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