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BROWN COMPANY *annual report* **1955**

The Diversified Forest Products of Brown Company

The Products We Make Are:

SOLKA PULPS

A complete line of pure wood pulps made to specification from hard and softwoods, and having unusual combinations of physical and chemical properties.

KRAFT PULPS

Strong wood fibre pulps, for making specialty papers.

SOLKA-FLOC

Highly refined and purified wood cellulose in powder form.

NIBROC PAPERS

A wide variety of specialty papers, engineered to customer specifications in both bleached and unbleached grades.

NIBROC INDUSTRIAL TOWELS AND TISSUES

Strong when wet, yet soft, absorbent and lintfree, these are the world's largest selling towels for industrial and institutional use.

NIBROC ROLL TOWELS; SOFWITE TOILET TISSUES

Highest quality towel and tissue products.

NIBROC WIPERS

Specially designed fibre towelling which quickly picks up and removes all types of greases, liquids and sticky substances.

NIBROC KOWTOWLS

Large, strong paper towels with Nibroc high wet-strength.

BERMICO SEWER PIPE

Including connection fittings, this pipe is made of tough wood fibres impregnated with a special coal tar pitch.

BERMISEPTIC, BERMIDRAIN, BERMIROAD

A complete line of perforated Bermico pipe to meet varied drainage applications.

BERMICO CONDUIT

ONCO

Resilient sheeting designed for extreme toughness and durability.

CHEMICALS

Liquid chlorine, chloroform and soda bleach.

BROWN COMPANY HIGH GRADE LUMBER

Hardwoods: yellow birch and hard maple.
Softwoods: spruce dimension lumber and graded white pine.

They Are Used in These Ways:

For conversion into cellophane and a great variety of papers, from letterheads and photographic papers to soft facial tissue, butter wrappers and duplicator papers.

At present the entire output of these pulps is used by Brown Company in the production of Nibroc towels and Nibroc papers.

Used variously in production of plastics, cigaret filters, cellulose derivatives, welding rods, rubber heels and soles; also in filter presses for filtering oils, detergents and chemicals.

For conversion into products ranging from sandpaper and plasticised table tops to carpet yarns, flour and coffee bags, communication tapes, building insulation paper, and envelopes made from the new Amberglo kraft paper.

Towels and tissues for washroom service in public buildings, factories, offices, stores, restaurants, schools and hospitals.

In household kitchens and bathrooms where the finest in paper service is desired.

For cleaning grease and water from machinery, wiping glass, polishing high finishes, wiping ink from engravings in printing, wiping windshields, and wiping greasy, sticky hands.

Used on dairy farms for washing cows before milking and for keeping dairy equipment sanitary.

For carrying household waste to sewers or septic tanks, for drains, downspouts, and for non-pressure irrigation.

For land drainage on farms, golf courses, marshlands, industrial areas, highways and airports. Also for septic tank disposal beds and foundation drains.

Used for protecting electrical wiring when carried underground.

Widely used for shoe insoles, as well as in manufacture of handbags, wallets, belts, caps, hat bands and imitation leathers.

Chlorine for bleaching pulps, paper and fabrics, and for municipal water purification. Chloroform is used as a solvent by pharmaceutical manufacturers. Soda bleach is used by laundries and textile plants.

For furniture manufacture, construction and general use. The hardwoods are sold through Atlantic Lumber Company of Boston.

Report to the Stockholders

Consolidated net income of Brown Company and Brown Corporation for the year ended November 30, 1955 was \$2,030,199. Inasmuch as the principal assets of Brown Corporation were sold on December 1, 1954, the 1955 earnings relate almost entirely to the parent company's operations in the United States. Consolidated net income for the previous year totaled \$3,411,175, of which the larger share was derived from the Canadian operations. Reasons for the sale of the Canadian assets are given in last year's report to the stockholders.

During the 1955 fiscal year we have been engaged in a program of rehabilitating, improving and expanding the company's plants at Berlin and Gorham, New Hampshire, as described more fully later in this report. In spite of the recognized difficulties of rehabilitating plants while they are under full production, operations in 1955 have gone according to plan. The parent company's operations show substantial increases in net income as compared to last year.

In last year's report the following statement as to future prospects was made:

"The plants of Brown Company at Berlin and Gorham, N. H., which will undergo further modernization this year, and the new facilities to be added as the result of the availability of money, will not be fully productive during the fiscal year 1955. It appears, therefore, that the company's earnings during that year will be substantially less than normal. Management's planning calls for vigorous sales promotion and efforts toward cost reduction, and as the new facilities come into use in the latter part of 1955 and early 1956, it is felt that both gross sales and earnings will be materially increased, and that by 1957 there is a possibility that Brown Company's earnings should at least equal those of both the parent company and its subsidiary in 1954."

These objectives have thus far been realized in accordance with the time-table established. We have every reason to believe that our progress will continue at a satisfactory rate.

From the foregoing it is evident that Brown Company's consolidated net income for 1955 is not comparable to last year's, and we are therefore showing below a condensed comparison for the parent company only, of 1955 earnings with those of the previous year. Sales have increased 16% over last year, while net *operating* income has increased 61%.

It is difficult to make a proper comparison of net income, because of the necessity for making adjustments not only to eliminate interest, dividends, and management service fees received from Brown Corporation in the prior year, but also adjust-

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ments to place the two years on a comparable basis with respect to interest on funded debt and income from marketable securities, plus related income tax effects. Furthermore, if the company had not had its substantial investment in Brown Corporation in 1954 and prior years, it undoubtedly would have utilized such funds some time ago to expand and improve the Berlin operations. Actual results for the two years, without attempting to make such adjustments, are given below:

Condensed Statement of Income — Brown Company Only

	<i>Years ended November 30</i>	
	<u>1955</u>	<u>1954</u>
Sales, less discounts, returns and allowances	\$53,820,733	\$46,196,398
Manufacturing costs, selling, general, administrative and re- search expenses and other charges against operations (in- cluding depreciation and depletion of \$2,115,822 in 1955 and \$1,865,617 in 1954)	<u>50,478,084</u>	<u>44,114,086</u>
<u>Net operating income</u>	3,342,649	2,082,312
Other charges (income):		
Interest on funded debt	204,224	471,321
Other charges, net	196,150	126,817
Interest (income) from marketable securities	<u>(215,879)</u>	<u>-0-</u>
Total income before interest and dividends received from Brown Corporation and before income taxes	3,158,154	1,484,174
Dividends and interest received from Brown Corporation less Canadian tax withholdings	-0-	2,328,284
Provision for Federal (U. S.) taxes on income	<u>(1,350,000)</u>	<u>(590,000)</u>
<u>Net income</u>	<u>\$ 1,808,154</u>	<u>\$ 3,222,458</u>
Note: Consolidated net income of Brown Company and Brown Corporation for the corresponding years was	<u>\$ 2,030,199</u>	<u>\$ 3,411,175</u>

Dividends on Common Stock

Dividends on the common stock were started in midyear based on the trend of earnings at that time, and since then earnings have more than covered the dividends paid. Dividends of 25¢ per share were paid on September 1 and December 1, 1955, and the board of directors has announced a regular quarterly dividend of 25¢ per share payable March 1, 1956 to holders of record at the close of business on February 17, 1956.

One of the important differences between the company's situation in 1954 and the present time relates to the availability of earnings to pay dividends on the common stock. In 1954 the situation was such that because of sinking fund requirements on funded debt and on one class of preference stock, plus dividend requirements on two classes of preference stocks, *less than \$600,000* could have been made available out of the total consolidated net income of \$3,411,175 to pay dividends on common stock, assuming no retention of earnings for plant improvement or working capital. Under present conditions, with all of the preferred stock retired, with funded debt reduced from \$12,800,000 at November 30, 1954 to only \$5,180,600 at November 30, 1955, and with funds on hand for plant improvement and investment, all of the current earnings are available for such dividends as the board of directors may declare on the common stock. Beginning June 15, 1957, annual sinking fund payments of \$213,000 are required on the 4½% debentures now outstanding, but in this connection, the

company has, to February 1, 1956, purchased and retired debentures totaling \$225,000, which is more than sufficient to cover the 1957 sinking fund requirement.

Disposition of Cash Received From Sale of Canadian Assets

After paying its Canadian taxes (both as to a portion of its 1954 income and those relating to the recapture of capital cost allowances as a result of the sale of its assets) together with its miscellaneous expenses of sale, normal accounts payable, and certain other costs, Brown Corporation transferred cash totaling \$43,682,334 to the parent company during the year ended November 30, 1955. At that date Brown Company's total cash and marketable securities amounted to \$21,545,912, an increase of \$19,977,906 over the corresponding figure for the parent company at the start of the year. Deducting this increase in cash (\$19,977,906) from the total of \$43,682,334 received from Brown Corporation results in a difference of \$23,704,428, representing primarily the use of funds received from the sale of the Canadian assets for the purposes listed in the tabulation shown below:

1. Retirement of funded debt (including \$64,000 premium on retirement)		\$12,864,000
2. Retirement of first and second preference stocks:		
Amount of preference stocks retired (all)	\$17,050,914	
Plus premium paid on call of stocks	113,199	
	<u>17,164,113</u>	
Less portion paid for by issuance of 4½% debentures, after deducting expenses of issuing debentures	(5,226,606)	
And also less portion of preference stock which was converted to Common	<u>(8,442,600)</u>	
Net cash required for retirement of preference stocks		3,494,907
3. Repayment of bank loans		2,000,000
4. Additions to plant and equipment:		
Gross expenditures (less proceeds of disposal)	5,797,353	
Less depreciation recovery	<u>1,941,225</u>	3,856,128
5. Retirement of 4½% debentures (anticipation of a portion of 1957 requirement)		135,000*
6. Purchase of Brown Company common stock (held in treasury; to be sold later to key employees under stock option plan, or used for other corporate purposes)		647,773
7. All other factors affecting cash (net)		706,620
Total		<u>\$23,704,428</u>

* Since November 30, 1955, the company has purchased additional debentures, making total retirements of \$225,000 to February 1, 1956, which is more than sufficient to cover the June 15, 1957 sinking fund requirement of \$213,000.

Financial Position

Consolidated working capital at November 30, 1955 (current assets less current liabilities) amounted to \$27,069,483. Of this amount, \$21,545,912 was represented by cash and marketable securities. The ratio of current assets to current liabilities was 3.7 to 1. Working capital and current ratio are computed after deducting provision for U. S. income taxes pertaining to the liquidation of Brown Corporation in the amount of \$2,930,000. This is the maximum tax computed under a ruling received from the Com-

missioner of Internal Revenue; however, under this same ruling a minimum tax of \$430,000 has been computed as an alternative. The actual amount will be determined later, as explained in Note B of notes to financial statements.

There were no bank loans outstanding at November 30, 1955 and the only funded debt consisted of the company's 4½% debentures totaling \$5,180,600. All preference stocks had been retired.

A year earlier (on November 30, 1954, just prior to the sale of the Canadian subsidiary's principal assets) consolidated working capital was \$17,483,635, of which cash amounted to \$2,156,496. At that time there were bank loans outstanding of \$2,000,000, funded debt of \$12,800,000, and preference stocks totaling \$17,050,914.

Growth in Common Stockholders' Ownership

At the end of this report there are two tabulated summaries which show the company's postwar financial history. Included in the first of these summaries is a chart showing the increase in net book value of each share of common stock. This chart points out that the common stock book value per share rose from \$2.20 at November 30, 1945 to \$4.97 at November 30, 1949 and to \$14.63 at November 30, 1954. From that point it rose to \$21.24 per share at November 30, 1955, with the increase in this latest year being attributable primarily to the sale of Canadian assets.

The latest year-end book value of \$21.24 per share applies to nearly one-third more shares than the number outstanding a year ago. At November 30, 1955 there were a total of 2,644,865 common shares issued and outstanding (less 38,100 shares held as treasury stock), whereas a year earlier there were 2,000,727 shares outstanding. For a brief period immediately following the sale of Canadian assets, the book value per share was \$23.45, based on 2,000,727 shares. After the holders of 84,426 shares of first preference stock exercised the right to convert their holdings into 590,982 shares of common stock (at the rate of seven shares of common for each share of preferred) and after the issuance of 53,156 shares of common stock in connection with the company's reinvestment offer dated June 21, 1955, the book value per share became approximately \$21.

Thus the Common stockholders' total ownership, in terms of book values, rose from \$29,263,073 at November 30, 1954 to \$46,911,500 at December 1, 1954 immediately following the sale of Canadian assets, and from that figure it has risen to \$55,374,120 at November 30, 1955, primarily as a result of the conversion of preference stock to common.

The book values referred to in this section reflect underlying values on timberlands and plant which are largely historic values, and which are considerably below the present values of the properties, in the judgment of the management.

Market Price of Brown Company Common Stock

There have been questions from stockholders seeking information in regard to the market price of Brown Company's common stock over a period of recent years. Information of this type was given in the company's proxy statement dated March 15, 1955, but since then there have been substantial increases in the number of shares of common stock outstanding, primarily as a result of conversion of a portion of the first preference stock to common. Accordingly, for the convenience of our stockholders we are showing in the following tabulation, data in regard to the price of Brown Company common stock on the American Stock Exchange over the last four years, together with certain other information.

<u>Calendar Quarter</u>	<u>High</u>	<u>Low</u>	<u>Last</u>	<u>Number of shares outstanding* at close of each year and at Feb. 1, 1956</u>	<u>Closing price multiplied by No. of shares</u>
1952:					
1st Quarter	15 1/2	12 1/8	12 3/8		
2nd Quarter	13 1/8	10 5/8	11 1/4		
3rd Quarter	11 5/8	9 5/8	9 5/8		
4th Quarter	11 1/4	8 5/8	10	1,992,817	\$19,928,170
1953:					
1st Quarter	12 3/8	9 1/8	11 1/8		
2nd Quarter	11 1/2	8 3/8	8 7/8		
3rd Quarter	9 1/2	7 1/4	7 1/2		
4th Quarter	9 1/8	7 1/8	8 5/8	1,992,817	\$17,188,047
1954:					
1st Quarter	12 7/8	8 3/4	12 1/8		
2nd Quarter	14	11 1/2	12 5/8		
3rd Quarter	17 1/4	12 5/8	17		
4th Quarter	17 1/2	14 1/2	16 1/4	2,001,007	\$32,516,363
1955:					
1st Quarter	17	14 3/4	15 1/4		
2nd Quarter	18 3/8	15 1/8	17 3/4		
3rd Quarter	19 1/4	15 5/8	17		
4th Quarter	18 1/4	15 3/8	17 3/4	2,644,865	\$46,946,354
1956:					
To Feb. 1	19 1/2	17 3/4	18 3/4	2,644,865	\$49,591,219

* Before deduction of shares purchased by Brown Company in the fourth quarter of 1955 and held as treasury stock; such shares totaled 54,300 at December 31, 1955 and February 1, 1956.

Plant and Process Improvement

In a single year Brown Company has made substantial progress on the plant improvement program previously announced. This subject is of such importance that a separate section, with pictures and descriptions of some of the principal 1955 plant and process improvements, is included later in this report.

This year's cover picture shows one of the important projects which was completed at the close of the year, the new 225,000 lbs. per hour steam generator, which replaces several older units with important reductions in cost of output. A list of some of the larger projects, separated according to their status, is given below:

1. Projects Substantially Completed in 1955 and Early 1956:

- Steam Generator (new boiler plant)
- Centricleaners for Sulphite Pulp Mill
- Cowan Screens for Sulphite Pulp Mill
- Pulpers for Cascade Paper Mill
- Centricleaners for Cascade Paper Mill
- Additional Supercalendering Capacity
- Additional Chipping Capacity for Pulp Mills
- Flail Head Barkers (to permit most profitable use of sawmill waste)

2. Projects Approved and Under Way:

- Kraft Pulp Bleachery
- Chlorine Dioxide Plant
- Sulphite Waste Liquor Recovery
- Sulphite Pulp Indirect Cooking Systems
- Additional Chip Handling Capacity

Additional Raw Stock Storage for Kraft Pulp Mill
Kraft Raw Stock Screening System
New Pulp Finishing and Shipping Facilities
7500 KW Turbine Generator

3. *Projects Being Planned or Considered:*

Additional Paper Machine Capacity
Additional Pulping Capacity
New Wood Handling System
Refuse Burning and Steam Generating Equipment
Furfural Plant (to be made possible by waste liquor recovery system referred to under item 2)
Resin Plant

The foregoing projects are designed to produce substantial cost reductions and to give superior product quality and process control, as well as to permit increased output. Some of these projects were not undertaken in prior years primarily because the company lacked funds, and it was considered inadvisable to go more deeply into debt in view of the heavy sinking fund requirements on the two classes of preference stocks and the previous funded debt, which were eliminated in 1955.

Several of these projects represent significant advances ahead of the field. For example, the new sulphite waste liquor recovery system will be the first of its kind in the eastern United States. The chlorine dioxide plant will be the first of its kind on the North American continent, and is expected to give both considerably lower costs and superior quality; we are proud of the fact that the original American inventor of the process is our own Dr. George A. Day, head of Brown Company's Research Laboratory. This process is in successful operation in Germany, having been invented there at about the same time by Dr. Edelbert Kesting, who is assisting us on our new installation.

The new type flail head barker is just starting to come into use in the New England area; this is a device whereby saw logs may be barked before sawing in order that the slabs and edgings later produced will be bark-free and thus become prime material for highest quality chips for our pulp mills. Such slabs and edgings were formerly waste material, but now they are being utilized to produce important additional quantities of pulp chips without relative increases in the amount of timber cut in the forests, thus conserving natural resources and at the same time reducing costs.

The scope of the program is further indicated by its cost. In the thirteen-month period from December 1, 1954 to December 31, 1955 our board of directors approved appropriations totaling approximately \$14,000,000. To this should be added appropriations carried over from 1954, covering projects which were still in process at the start of this year, in the amount of about \$3,000,000. This means that a total of \$17,000,000 has been authorized for projects either presently in process or completed in 1955.

Against this authorized amount the company spent \$5,797,353 during its 1955 fiscal year, of which \$1,941,225 represented recovery of depreciation charges, and the remainder of \$3,856,128 was taken from funds received as a result of the sale of Canadian assets. Deducting from this \$17,000,000 program the total of \$5,797,353 spent in 1955, together with \$1,469,302 spent on these same projects in 1954, leaves estimated future expenditures of about \$9,700,000 to complete the major projects which are now under way. Some of these installations will not be completed until 1957, and during this two-year interval, depreciation charges probably will cover \$4,600,000 of the amount required to complete the appropriations now in process. This means that about \$5,100,000 of funds presently on hand (or to be provided from future earnings) will be required for that purpose.

Brown Company's Resources

Our resources are by no means limited to our high cash and low debt positions. We have capable personnel, which is one of the most important resources of all. We have a fine research and development organization, and good progress is being made in management's job of putting research to work in a positive program to earn additional profits. We have many ideas, not only from Research but from other departments as well, of ways to improve the future of Brown Company, and we are putting these ideas to work as rapidly as possible.

An important natural resource is the Androscoggin River, with its excellent supply of water to generate power, carry on plant processes, and drive our softwood to the pulp mills and sawmills. We are in the center of a great timber growing area, which with proper management will support not merely today's program, but an expanded program, in perpetuity. In this connection Brown Company has in its sole ownership in the States of Maine, Vermont and New Hampshire 511,444 acres of land, which has been under practical forest management since about 1900. In addition to this wholly-owned acreage, our ownership in 300,000 acres of jointly-owned land amounts to 111,677 acres, and on the balance of the jointly-owned land Brown Company is the chief harvester. The growth on these 800,000 acres alone is sufficient to provide more than half of Brown Company's total requirements; this is part of an area of more than 3,600,000 timbered acres within a 50-mile radius of Berlin from which we obtain our wood.

In view of the increasing demand for hardwood pulps, it is of particular significance that our plant is located in one of the greatest stands of northern hardwoods still in existence. A careful study of the particular species available to Brown Company on its own lands and adjoining lands indicates that the types of hardwood which we have are generally superior to the average hardwoods found in other areas.

Pulpwood is the most important single item in pulp and paper costs; control and reduction of pulpwood costs are important considerations in our wood procurement program.

Future Prospects

We expect 1956 to show important increases in production, sales, and earnings over 1955. Our new kraft bleachery, which is expected to be in operation in the second quarter of this year, will contribute substantial cost reductions as soon as it goes into operation. Other items, such as the new steam generating plant which went into operation about the start of our new fiscal year, are already improving our costs. On the other hand, the present extensive capital program will continue to interfere with operations and to some degree with earnings during 1956. Although the full benefit of the facilities program will not be realized before 1958, it is our goal to make the company's earnings equal by 1957 to those of both the company and its Canadian subsidiary in 1954. We intend to do everything possible to equal and exceed that goal. The necessary increase in sales is subject, of course, to general business conditions in the industry; there is no question as to the savings in production costs which will become effective as a result of the plant and process improvement program.

William Robinson Brown

On August 4, 1955 we were saddened to learn of the death of William Robinson Brown, former head of the Woods Department, who retired in 1943. The following resolution was unanimously adopted by the directors:

"Carrying graciously to the very end the honors and rewards of a full and useful life, William Robinson Brown passed away on August 4, 1955 at his home in Dublin, New Hampshire.

It may truthfully be said that the results of his intelligent and farseeing policies with respect to the acquisition and administration of forest resources constitute the bedrock of this Company's strength, contributing vitally to the preservation of the enterprise during the turbulent days of the past and promising greatness in the days ahead. A pioneer in the field of forest conservation and protection, he became an international authority on the subject of forest administration. To these great accomplishments he brought an original and far-ranging mind enriched by a variety of other interests and last but not least the strengths which flow from a happy marriage and family life.

"With the foregoing this Board records its sorrow upon the death of Mr. Brown and requests that a copy of this resolution, with expression of its deep sympathy, be transmitted by the Chairman to Mrs. Brown."

Directors and Employees

At the postponed annual meeting of stockholders which was held on July 14, 1955, Mr. Laurence F. Whittemore was elected Chairman of the Board under a new by-law which establishes the duties and authorities of that position. Mr. A. E. H. Fair was elected President and a Director of the Company. Mr. Stuart W. Skowbo was elected Vice President and Treasurer. The withdrawal from our board of Mr. G. Blair Gordon, who had been a director of Brown Company for 13 years, was finally accepted with deep regret; the valuable services rendered by Mr. Gordon to the company during a critical period are very much appreciated.

At this same meeting the company's board of directors was expanded from twelve members to fifteen. The new directors who took office on July 14, 1955 are Colonel Maurice Forget, Mr. G. A. Morris, and Mr. R. Howard Webster, all of Montreal, Quebec. We are fortunate in having secured the services of these men to act as directors.

The company has good working relations with its employees, and is making progress in matters which should improve such relations. Increased emphasis is being placed on safety measures to prevent accidents. A new suggestion system was recently placed in effect, whereby employees will receive cash awards for suggestions which improve the company's operations, and the response to date has been most favorable. In June, 1955, a wage increase of six cents per hour was granted to hourly workers, together with an increase in the shift differential and certain other fringe benefits.

The directors and management wish to acknowledge with thanks the cooperation of the employees, customers, suppliers, and others through the past year.

Sincerely,



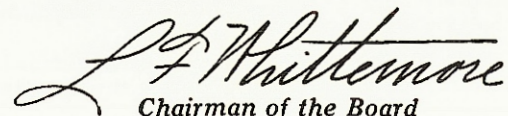
President

Additional Message From The Chairman

The stockholders of our company are to be congratulated on having obtained the services of Mr. A. E. H. Fair as president. The changes and accomplishments rapidly coming into fruition indicate the wisdom of our choice.

In signing this report jointly with Mr. Fair, I would like to thank the stockholders for the support they have given me during the years I was president, and to ask from them the same support during the years of Mr. Fair's presidency and my chairmanship.

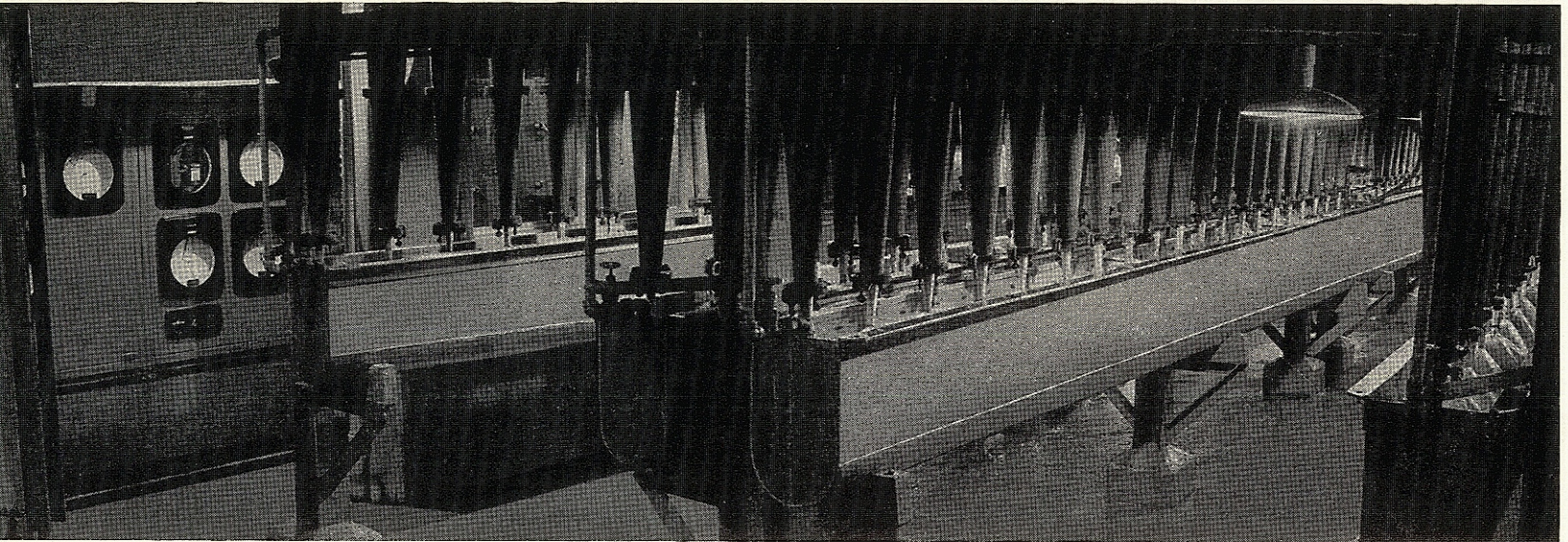
February 3, 1956



Chairman of the Board

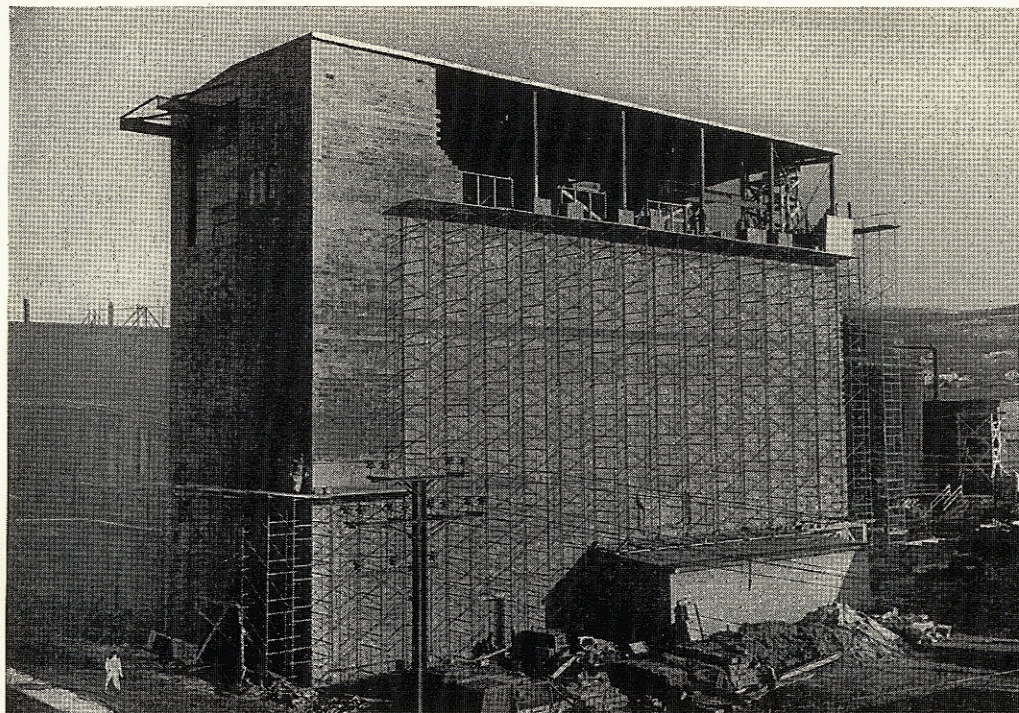
Plant and Process Improvement

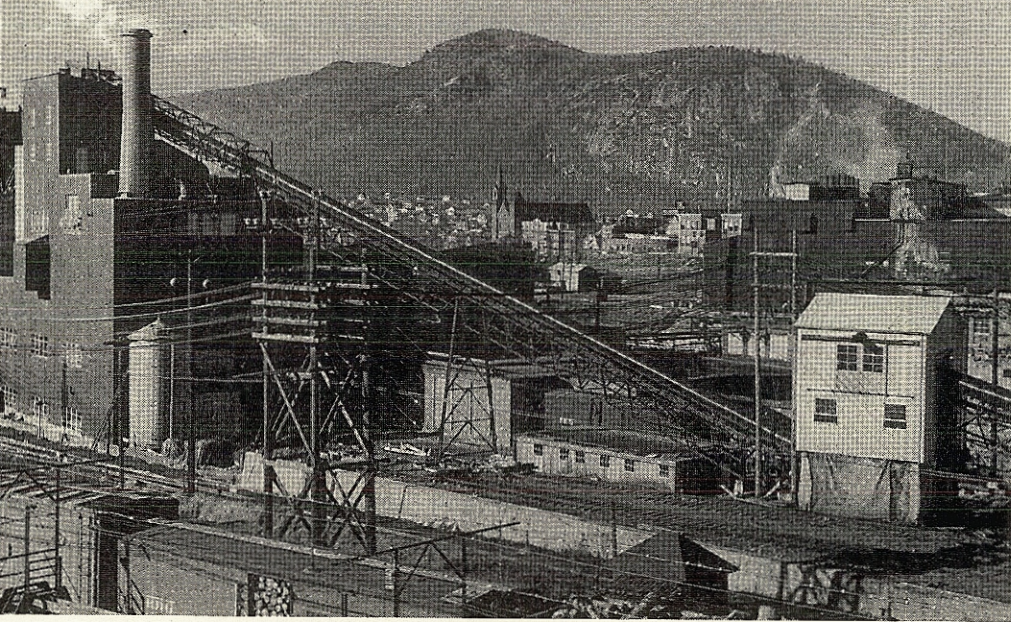
WITH the capital provided last year by the sale of Canadian assets, Brown Company was able to pursue its postwar program of plant and process improvement at a considerably quickened tempo. Thus the Brown Company of tomorrow will attain that "tomorrow" much earlier than was envisioned only a few years ago. Illustrated on these pages are improvement projects initiated or completed during the year 1955. For reasons of space, only the major projects can be shown. Together with numerous other projects, they represent a \$17,000,000 investment in the Company's future, with more to follow.



In the production of Solka pulps for specification end uses, utmost cleanliness is essential. The battery of centri-cleaners shown above was installed recently at the Burgess sulphite pulp mill to replace old, less efficient screens. Operating centrifugally, they provide much more thorough cleaning than was possible with previous equipment.

Construction is well under way on a new bleachery, to enable us to produce our own bleached kraft pulps in volume, at a substantial saving over the cost of purchasing such pulps in the market. Further, it will permit our paper mill to produce the more profitable bleached grades of kraft paper as well as unbleached specialties. The most modern bleaching practice will be included in the new plant. Chlorine dioxide treatment will be employed.

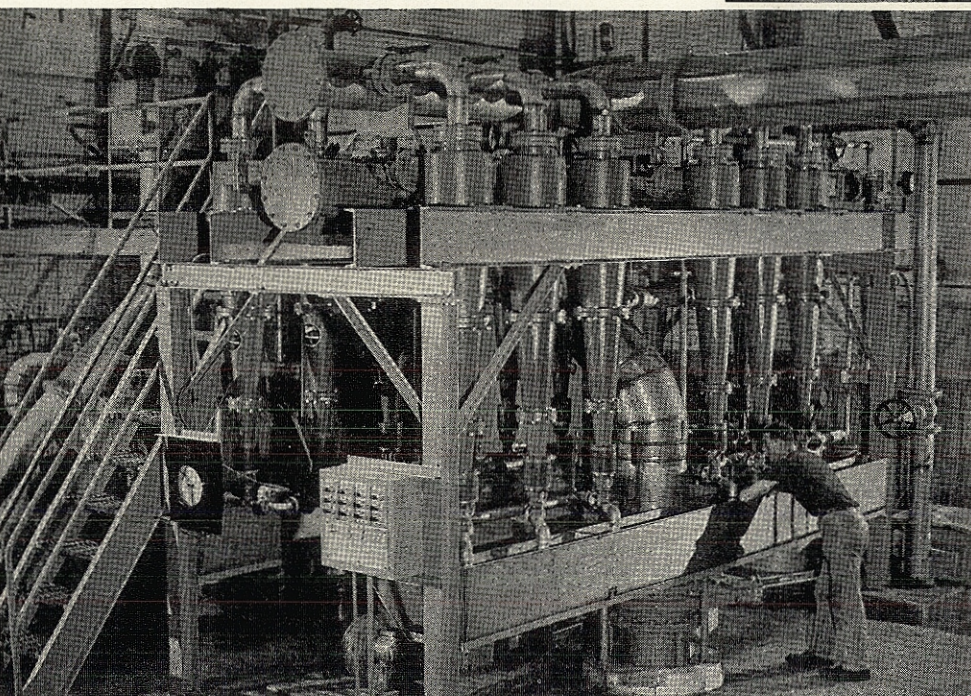
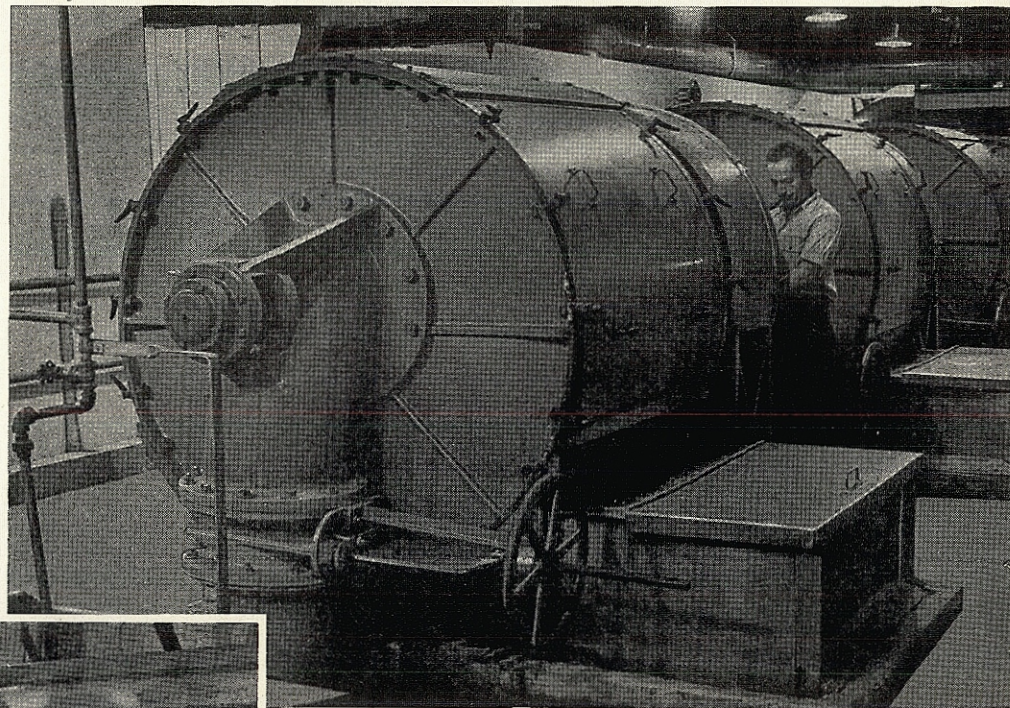




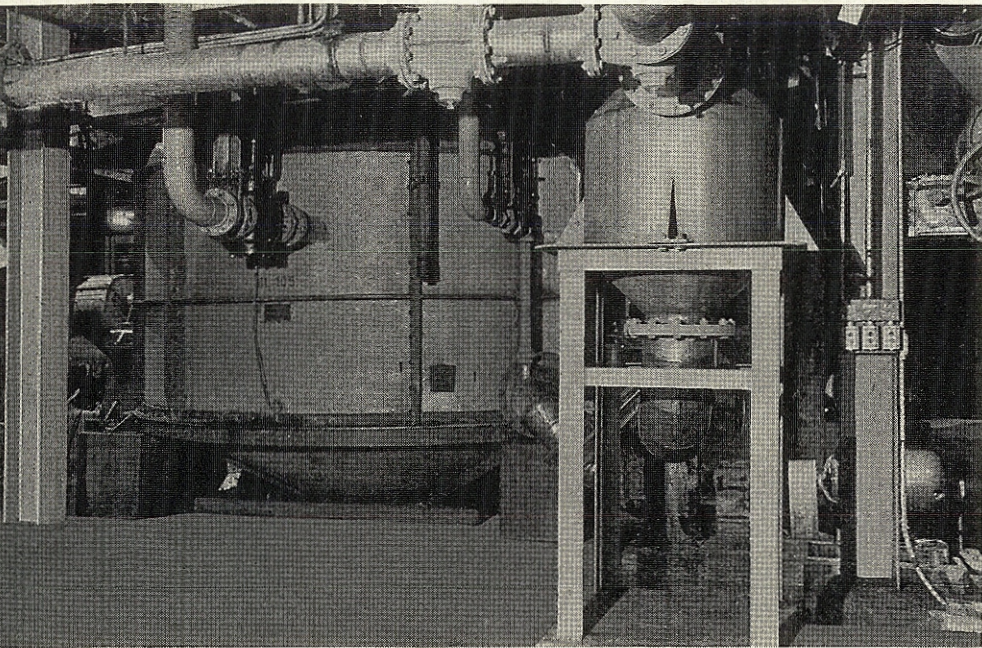
The new steam generating plant at left replaces four low-pressure steam units. It provides 225,000 pounds of steam per hour at high pressure, and will be used to power a new 7500-kilowatt turbo-generator as well as to provide steam for process purposes. Costs of both steam and electric power will be materially reduced by this installation.

Plant and Process Improvement

The most modern type of raw stock screening equipment was installed recently at both the kraft and the sulphite pulp mills to replace old style flat screens. These Cowan screens employ centrifugal action, do a more thorough job than the flat screens, and save a considerable amount of space.

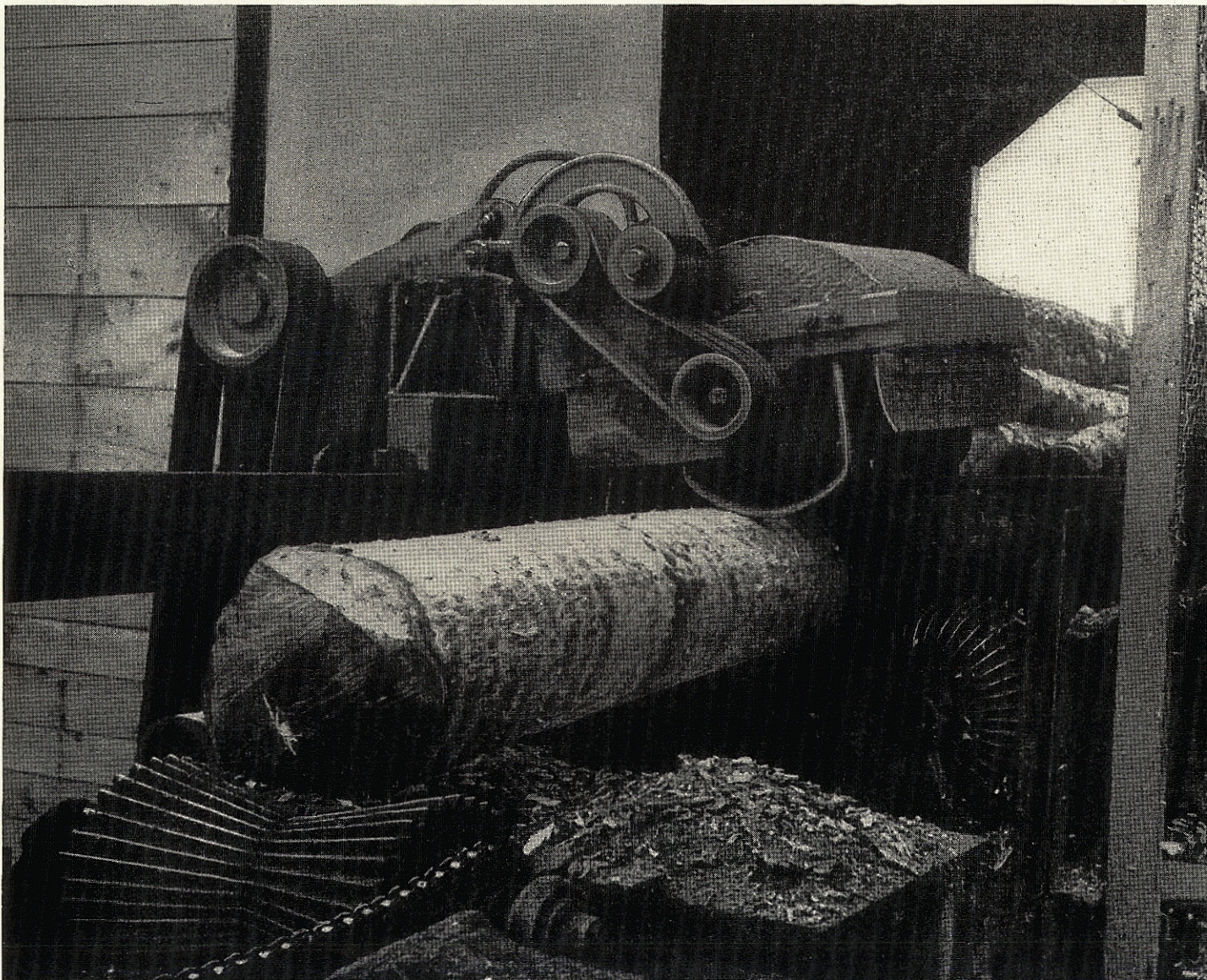


This bank of 12 centricleaners was installed at the Cascade Mill's No. 4 paper machine to provide cleaner stock for production of high grade specialty papers. Replacing old flat screens, this installation makes possible increases in production and reduces labor.



Further improvement of stock preparation for three paper machines was accomplished with the installation of pulpers which offer high-speed disintegration of bale and roll pulp, as well as waste paper. Previous equipment required larger crews and entailed higher maintenance costs.

This new type flail head barker removes bark from saw logs before sawing. Its multiple advantages are: bark removal before sawing, thereby facilitating lumber grading, and protecting saws from foreign matter; utilization of waste slabs and edgings as chips for the pulp mill; production of dry bark for steam generation.



Consolidated Statement of Income

(See Note A)

	<i>Year ended November 30</i>	
	<u>1955</u>	<u>1954</u>
Sales, less discounts, returns and allowances (in 1955, net sales of Brown Company only; in 1954, including \$20,814,043 net sales of Brown Corporation)	\$53,820,733	\$66,969,748
Materials, services and other manufacturing costs, selling, general, administrative and research expenses — including depreciation and depletion of \$2,115,822 in 1955 (Brown Company only) and \$3,080,958 in 1954 (Brown Company and Brown Corporation, consolidated)	<u>50,478,084</u>	<u>60,396,731</u>
Net operating income	<u>\$ 3,342,649</u>	<u>\$ 6,573,017</u>
Other charges (income):		
Interest on funded debt	\$ 204,224	\$ 471,321
Interest and dividend income	(216,647)	(74,685)
Retirement allowances to former employees not covered by retirement plan	94,711	186,039
Canadian tax withholdings on intercompany interest and dividends		154,120
Miscellaneous other income, net	<u>(119,838)</u>	<u>(104,953)</u>
Net income before income taxes	<u>\$ 3,380,199</u>	<u>\$ 5,941,175</u>
Provision for United States and, in 1954, Canadian taxes on income	<u>1,350,000</u>	<u>2,530,000</u>
Net income	<u>\$ 2,030,199</u>	<u>\$ 3,411,175</u>
Gain on sale of Canadian assets and liquidation of Brown Corporation, less provision for applicable United States and Canadian taxes (Note B)	<u>17,839,735</u>	
Net income and gain on sale and liquidation	<u>\$19,869,934</u>	<u>\$ 3,411,175</u>

(See notes to financial statements)

COMPANY

Brown Corporation

Consolidated Statement of Other Capital and Retained Earnings

Year Ended November 30, 1955

	<i>Other capital— in excess of par value of common stock</i>	<i>Retained earnings</i>	
		<i>Reserved for retirement of preference stocks</i>	<i>Unreserved</i>
Balance, November 30, 1954	\$ 2,934,530	\$6,423,714	\$24,327,816
Additions (deductions) for the year:			
Net income, per accompanying statement			2,030,199
Gain on sale of Canadian assets and liquidation of Brown Corporation, less provision for ap- plicable United States and Canadian taxes (Note B)			17,839,735
Dividends declared:			
First preference stock			(177,714)
Common stock			(1,315,957)
Excess of call and liquidating value of 84,426 shares of first preference stock converted into common stock, over par value of 590,982 shares of common stock issued therefor	7,851,618		
Premiums paid (amount of accrued dividends) on call for redemption of 57,900 shares of first preference stock and 51,541 shares of second preference stock			(113,199)
Reserved portion of earned surplus applicable to 142,326 shares of first preference stock con- verted into common stock or called for re- demption and 52,191 shares of second prefer- ence stock called for redemption or pur- chased for retirement		(6,423,714)	
Balance, November 30, 1955	<u>\$10,786,148</u>	<u>\$ —</u>	<u>\$42,590,880</u>

(See notes to financial statements)

BROWN

And Its Subsidiary,

Consolidated

(See

Assets	November 30	
	1955	1954
CURRENT ASSETS:		
Cash	\$ 2,528,731	\$ 2,156,496
U. S. Government and other short-term marketable securities, at cost and accrued interest (approximate market)	19,017,181	
Accounts receivable, trade, less allowance for doubtful accounts	4,050,881	5,641,971
Accounts receivable, other	570,986	289,576
Inventories (Note C)	10,225,114	19,421,103
Prepaid insurance, taxes and other expenses	761,848	1,213,352
Total current assets	\$37,154,741	\$28,722,498
 FIXED ASSETS (Note D):		
Plants and equipment	\$58,910,988	\$77,630,651
Less — Depreciation	28,513,005	42,637,022
	\$30,397,983	\$34,993,629
Timberlands	\$ 8,590,283	\$12,674,744
Less — Depletion	5,460,756	7,359,445
	\$ 3,129,527	\$ 5,315,299
Total fixed assets	\$33,527,510	\$40,308,928
 INVESTMENTS AND OTHER ASSETS:		
Investments in unconsolidated subsidiaries and associated com- panies, at cost or less	\$ 257,007	\$ 253,169
Claims for refund of prior years' income taxes		410,979
Other assets and deferred charges	450,720	377,276
	\$ 707,727	\$ 1,041,424
	\$71,389,978	\$70,072,850

(See notes to financial statements)

COMPANY

Brown Corporation

Balance Sheet

Note A)

Liabilities and Capital

	<i>November 30</i>	
	<u>1955</u>	<u>1954</u>
CURRENT LIABILITIES:		
Notes payable to banks	\$	\$ 2,000,000
Accounts payable	4,478,744	4,762,596
Accrued payrolls, interest and other expenses	781,433	1,689,062
Dividends payable	654,741	217,334
United States and, in 1954, Canadian taxes on income (Note B)	4,170,340	1,769,871
Collateral trust bonds payable within one year		800,000
	<hr/>	<hr/>
Total current liabilities	\$10,085,258	\$11,238,863
 FUNDED DEBT OF BROWN COMPANY:		
4½% Debentures due June 15, 1975 (less \$135,000 purchased in anticipation of sinking fund requirement — \$213,000 annually beginning in 1957)	\$ 5,180,600	
3½% Collateral trust bonds (paid in 1955)		\$12,000,000
	<hr/>	<hr/>
DEFERRED INCOME TAXES	\$ 750,000	\$ 520,000
	<hr/>	<hr/>
 CAPITAL AND RETAINED EARNINGS:		
First preference stock (converted or redeemed in 1955)	\$	\$ 8,539,560
Second preference stock (redeemed in 1955)		2,087,640
Common stock, par value \$1 per share:		
Authorized — 2,997,009 shares		
Issued — 2,644,865 shares in 1955, 2,000,727 in 1954 (Note G)	2,644,865	2,000,727
Other capital — in excess of par value of common stock, per accompanying statement	10,786,148	2,934,530
Retained earnings (Note E), per accompanying statement:		
Reserved for retirement of preference stocks		6,423,714
Unreserved	42,590,880	24,327,816
	<hr/>	<hr/>
	\$56,021,893	\$46,313,987
Less — Cost of 38,100 shares of issued common stock held in treasury	647,773	
	<hr/>	<hr/>
Total capital and retained earnings	\$55,374,120	\$46,313,987
	<hr/>	<hr/>
	\$71,389,978	\$70,072,850

(See notes to financial statements)

Notes to Financial Statements

NOTE A—BASIS OF CONSOLIDATION AND CONVERSION

The accompanying financial statements include the accounts of Brown Company (a Maine Corporation) and its wholly-owned Canadian subsidiary, Brown Corporation. The accounts of unconsolidated subsidiaries are not significant. At November 30, 1955 Brown Corporation had been substantially liquidated (Note B). Its remaining assets (receivables of \$257,155) and its income and expense accounts for the year ended November 30, 1955 are included in the consolidated statements at par of exchange. The effect of including the Canadian accounts at par, as compared with the basis used in previous years, is not material.

The consolidated balance sheet as of November 30, 1954, shown for comparative purposes, includes the assets and liabilities of Brown Corporation immediately prior to the sale of assets on December 1, 1954 (Note B). The consolidated income statement for the year ended November 30, 1954 includes a full year's sales and operations of Brown Corporation. The consolidated income statement for the year ended November 30, 1955 represents income and expenses of Brown Company only, except for \$49,045 of miscellaneous income, net of expenses, of Brown Corporation and \$173,000 of consolidation income from the realization of intercompany profits in inventories at the beginning of the year.

NOTE B—SALE OF CANADIAN ASSETS AND LIQUIDATION OF BROWN CORPORATION

On December 1, 1954 Brown Corporation sold for cash substantially all of its assets, except cash and receivables. Subsequently, the proceeds of sale and other assets remaining after the payment of liabilities were distributed to Brown Company pursuant to a plan of complete liquidation of Brown Corporation. The sale of assets and the gain resulting from the sale and subsequent liquidation of Brown Corporation are summarized as follows (expressed in U. S. dollars):

Total consideration for the sale	\$45,735,857	
Less — Canadian income tax and other expenses and adjustments relating or incident to the sale	<u>3,668,310</u>	\$42,067,547
Book value of assets sold:		
Inventories	\$ 9,949,332	
Plants and equipment, \$23,879,530, less depreciation, \$15,457,603	8,421,927	
Timberlands, \$4,179,315, less depletion, \$2,073,286	2,106,029	
Investments and sundry assets	<u>264,544</u>	20,741,832
Excess of consideration received over book value of assets sold, expenses and adjustments		\$21,325,715
Taxes on distributions in liquidation to Brown Company and other expenses:		
Provision for United States income tax	\$ 2,930,000	
Canadian income tax withheld	417,936	
Other expenses of liquidation	<u>138,044</u>	3,485,980
Gain on sale of assets and liquidation of Brown Corporation		<u>\$17,839,735</u>

The provision for United States income tax on distributions in liquidation to Brown Company has been made in the amount of \$2,930,000, representing the maximum liability under the ruling obtained from the Commissioner of Internal Revenue. The liquidation transactions (all of which occurred after November 30, 1954) will be reported in the income tax return shortly to be filed for the year ended November 30, 1955. It is expected that the liability finally determined will be less than the amount provided to the extent that the Commissioner recognizes appreciation in value as of March 1, 1913 in computing the capital gains tax.

NOTE C—INVENTORIES

The inventories of Brown Company at November 30, 1955 and of Brown Company and Brown Corporation, consolidated, at November 30, 1954 are summarized as follows:

	November 30	
	1955	1954
Pulp and other products	\$ 3,328,651	\$ 4,168,315
Pulpwood	2,060,420	5,517,677
Pulpwood operations in progress	1,912,796	5,433,928
Other materials and supplies	<u>2,923,247</u>	<u>4,301,183</u>
	<u>\$10,225,114</u>	<u>\$19,421,103</u>

Brown Company's inventories of pulpwood and pulpwood content of pulp, carried at \$2,465,513 as at November 30, 1955, are stated at cost determined by the last-in first-out method of valuation. Otherwise the inventories are stated on the basis of cost or market, whichever lower, cost representing actual, current average or current standard cost.

NOTE D—FIXED ASSETS

Plants and equipment of Brown Company are carried substantially at cost, less depreciation provided. Timberlands of Brown Company are carried at \$1 per cord of estimated standing softwood at November 30, 1904 plus subsequent purchase acquisitions at cost, less depletion based on timber cut. The carrying values of timberlands do not reflect regrowth in areas which have been cut or current market values for stumpage which are believed to be substantially higher than carrying values. Such properties are carried at historic amounts in accordance with generally accepted accounting practice.

NOTE E—DIVIDEND AND OTHER RESTRICTIONS

In the indenture covering the 4½% debentures of Brown Company there are restrictions on the payment of cash dividends on the company's common stock and on the application of any property or assets to the purchase or retirement of its common stock. As of November 30, 1955 such payments and applications were restricted to approximately \$3,940,000. This amount represents "consolidated net income" (as defined) since November 30, 1954 plus \$4,000,000 and less dividends declared and amounts expended for the purchase of common stock since that date.

NOTE F—RETIREMENT PLAN FOR EMPLOYEES

The accompanying statement of income includes charges of \$500,000 in 1955 and \$457,111 in 1954 for contributions of Brown Company to its retirement plan fund, such contributions representing in each case approximately the cost of current service benefits for the year plus 2½% of the past service cost. The currently estimated amount required to complete the funding of past service cost is approximately \$5,100,000.

NOTE G—STOCK OPTIONS

In 1955 options were granted to certain officers and employees to purchase 67,000 shares of the common stock of Brown Company. The option prices were \$13.39 per share for 20,000 shares for which an option was granted in January and \$14.77 per share for 47,000 shares for which options were granted in September — in each case slightly more than 85% of the quoted market value on the respective dates on which the options were granted. The options are exercisable during a nine-year period beginning one year from the date granted.

NOTE H—COMMITMENTS

At November 30, 1955 Brown Company had unexpended balances totaling approximately \$5,800,000 under approved authorizations for plant extension and improvement projects. Further authorizations totaling approximately \$3,800,000 were approved in December, 1955.

Report of Independent Accountants

*To the Board of Directors and Stockholders of
Brown Company:*

In our opinion, the accompanying consolidated balance sheet and related statement of income and statement of other capital and retained earnings, with the notes thereto, present fairly the consolidated financial position of Brown Company and its subsidiary, Brown Corporation, at November 30, 1955 and the results of their operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent in all material respects with that of the preceding year. Our examination of such statements 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.

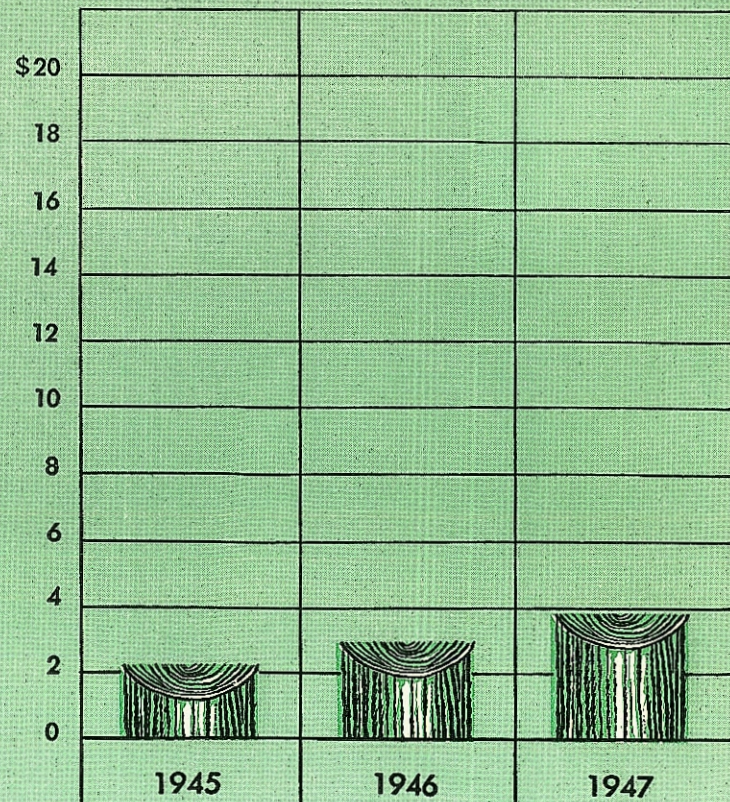
PRICE WATERHOUSE & CO.

Boston, Massachusetts
January 17, 1956

Condensed Statement of Consolidated

	1945	1946	1947
Current assets and (in 1951 and prior years) special deposits for plant improvements	\$19,677,182	\$24,289,336	\$25,242,322
Current liabilities and deferred income taxes	3,007,297	3,108,701	4,601,845
Net current assets and special deposits, less deferred income taxes	\$16,669,885	\$21,180,635	\$20,640,477
Plants and equipment, less depreciation	13,365,028	15,270,514	20,590,627
Timberlands, less depletion	8,384,073	8,189,654	5,587,576
Investments and other assets	1,037,735	1,031,778	1,299,357
Total assets, less liabilities except funded debt	\$39,456,721	\$45,672,581	\$48,118,037
Funded debt (except portion in current liabilities)	15,098,573	19,099,300	18,799,300
Net assets	\$24,358,148	\$26,573,281	\$29,318,737
Stockholders' ownership in net assets shown above:			
Convertible preferred stock, \$6	\$19,964,914	\$20,829,820	\$21,694,726
Convertible first preference stock, \$5			
Second preference stock, \$3			
Total preferred stocks	\$19,964,914	\$20,829,820	\$21,694,726
Common stock	4,393,234	5,743,461	7,624,011
	\$24,358,148	\$26,573,281	\$29,318,737
Number of common shares outstanding at end of year	1,992,817	1,992,817	1,992,817
Common stock book value per share	\$2.20	\$2.88	\$3.83

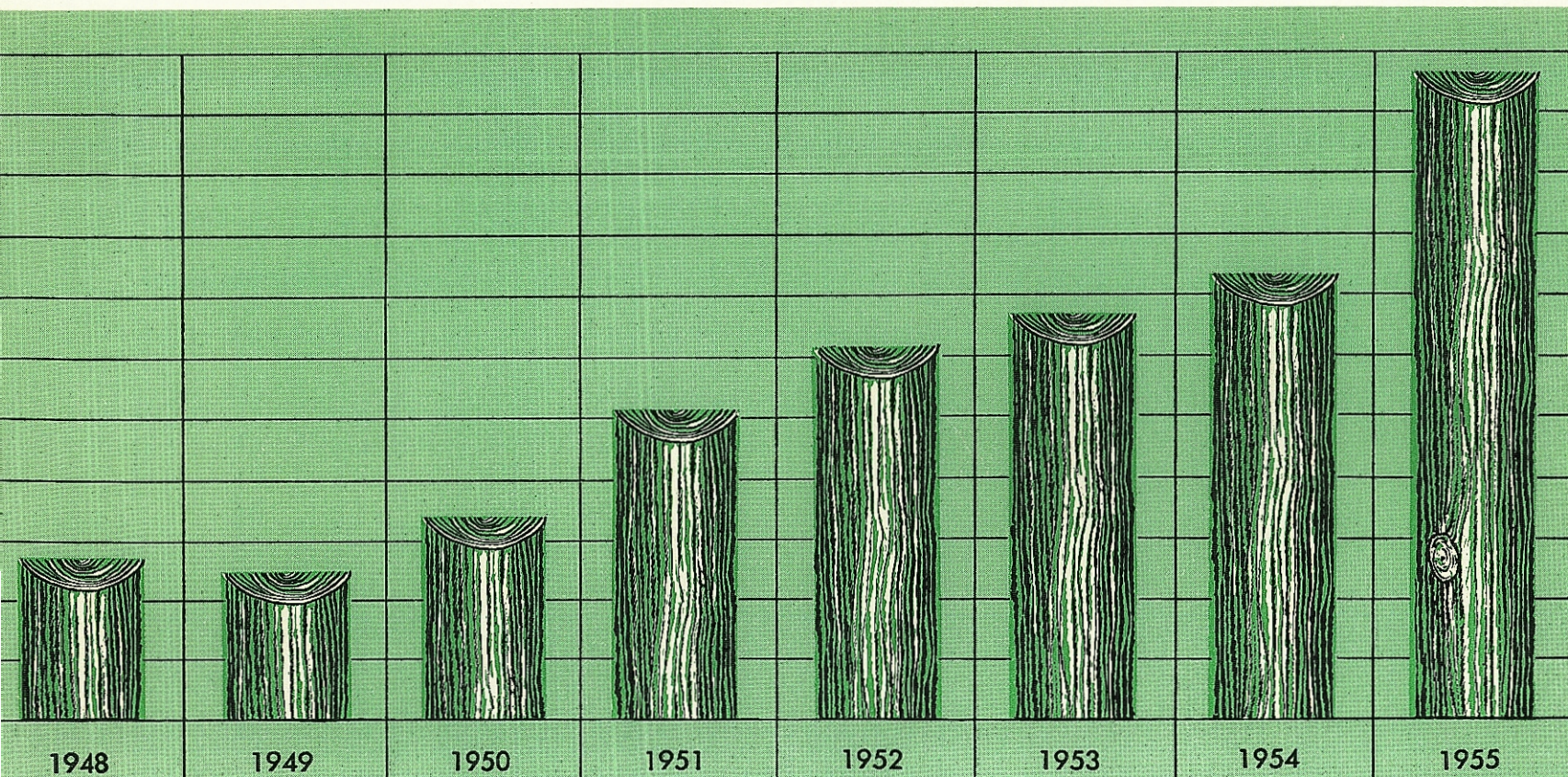
Common Stock Book Value Per Share



Financial Position and Stockholders' Ownership

AS OF NOVEMBER 30

1948	1949	1950	1951	1952	1953	1954	1955
\$26,270,900	\$22,813,441	\$28,713,555	\$34,525,111	\$28,161,884	\$28,155,501	\$28,722,498	\$37,154,741
4,927,121	3,057,431	7,386,776	14,115,495	9,674,703	9,015,977	11,758,863	10,835,258
\$21,343,779	\$19,756,010	\$21,326,779	\$20,409,616	\$18,487,181	\$19,139,524	\$16,963,635	\$26,319,483
23,095,916	23,597,519	24,057,281	28,588,040	32,879,106	33,172,774	34,993,629	30,397,983
5,498,140	5,422,526	5,284,267	5,293,502	5,437,643	5,295,365	5,315,299	3,129,527
568,340	469,540	570,598	665,487	871,835	513,198	1,041,424	707,727
\$50,506,175	\$49,245,595	\$51,238,925	\$54,956,645	\$57,675,765	\$58,120,861	\$58,313,987	\$60,554,720
17,300,400	16,777,400	15,200,000	14,400,000	13,600,000	12,800,000	12,000,000	5,180,600
\$33,205,775	\$32,468,195	\$36,038,925	\$40,556,645	\$44,075,765	\$45,320,861	\$46,313,987	\$55,374,120
\$22,559,632	\$22,559,632	\$22,559,632	\$14,345,600	\$14,345,600	\$14,345,600	\$14,232,600	
			5,789,178	5,171,688	4,296,672	2,818,314	
\$22,559,632	\$22,559,632	\$22,559,632	\$20,134,778	\$19,517,288	\$18,642,272	\$17,050,914	
10,646,143	9,908,563	13,479,293	20,421,867	24,558,477	26,678,589	29,263,073	55,374,120
\$33,205,775	\$32,468,195	\$36,038,925	\$40,556,645	\$44,075,765	\$45,320,861	\$46,313,987	\$55,374,120
1,992,817	1,992,817	1,992,817	1,992,817	1,992,817	1,992,817	2,000,727	2,606,765
\$5.34	\$4.97	\$6.76	\$10.25	\$12.32	\$13.39	\$14.63	\$21.24



Summary of Consolidated Income and Certain Expenditures

YEARS ENDED NOVEMBER 30

	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955*
Net sales	\$36,760,490	\$42,630,468	\$48,070,000	\$43,263,495	\$53,102,469	\$72,729,617	\$65,638,483	\$67,197,203	\$66,969,748	\$53,820,733
Net income before depreciation and depletion, interest on funded debt and income taxes	\$ 4,864,523	\$ 7,139,766	\$ 8,859,673	\$ 4,826,372	\$10,171,674	\$20,121,977	\$11,008,183	\$ 9,287,370	\$ 9,493,454	\$5,700,245
Charges for:										
Depreciation and depletion	\$ 1,612,844	\$ 1,527,158	\$ 1,907,875	\$ 2,290,716	\$ 2,423,423	\$ 2,574,647	\$ 2,818,558	\$ 3,134,016	\$ 3,080,958	\$ 2,115,822
Interest on funded debt	772,493	842,152	838,292	807,509	751,311	532,290	512,658	492,658	471,321	204,224
Provision for United States and Canadian taxes on income	975,000	2,025,000	2,250,000	711,437	2,975,000	9,585,000	3,280,000	2,610,000	2,530,000	1,350,000
Total of above charges	\$ 3,360,337	\$ 4,394,310	\$ 4,996,167	\$ 3,809,662	\$ 6,149,734	\$12,691,937	\$ 6,611,216	\$ 6,236,674	\$ 6,082,279	\$ 3,670,046
Net income	\$ 1,504,186	\$ 2,745,456	\$ 3,863,506	\$ 1,016,710	\$ 4,021,940	\$ 7,430,040	\$ 4,396,967	\$ 3,050,696	\$ 3,411,175	\$2,030,199
Dividends paid or accrued on preferred stocks	864,906	864,906	864,906	864,906	864,906	1,105,970	1,027,940	981,678	931,295	177,714
Balance of net income applicable to common stock	\$ 639,280	\$ 1,880,550	\$ 2,998,600	\$ 151,804	\$ 3,157,034	\$ 6,324,070	\$ 3,369,027	\$ 2,069,018	\$ 2,479,880	\$ 1,852,485
Average number of common shares outstand- ing during the year	1,992,817	1,992,817	1,992,817	1,992,817	1,992,817	1,992,817	1,992,817	1,992,817	1,996,772	2,295,315
Earnings per share of common stock	\$.32	\$.94	\$ 1.50	\$.08	\$ 1.58	\$ 3.17	\$ 1.69	\$ 1.04	\$ 1.24	\$.81

* Figures for 1955 reflect substantially the operations of Brown Company alone (see Note A of notes to financial state-
ments). Figures for all other years reflect the operations of Brown Company and Brown Corporation, consolidated.

Expenditures made during the year for:

Plant improvements and additions to tim- berlands, less proceeds of disposal	\$3,248,515	\$3,864,243	\$4,188,887	\$2,733,657	\$2,973,319	\$7,052,855	\$7,260,477	\$3,270,579	\$4,987,420	\$5,892,510
Reduction in funded debt (increase in 1946)	(3,790,727)		300,000	1,473,000	1,301,400	800,000	800,000	800,000	800,000	12,935,000**
Purchase and retirement of preferred stocks						1,904,977	579,143	823,922	1,486,754	3,494,907**

** During 1955, \$12,800,000 of collateral trust bonds were retired. In connection with retirement of the first preference stock, \$5,315,600 of 4½% debentures were
issued, and this amount (less expenses of issuance) has been deducted in computing the net cost shown above for retirement of preferred stocks. During the
year, \$135,000 of the 4½% debentures were also retired.

Directors

- ORTON B. BROWN Berlin, New Hampshire
Director, New Hampshire Fire Insurance Co.
- JOHN B. CHALLIES Montreal, Quebec
Consulting Engineer — Retired Senior Vice President, Shawinigan Water & Power Company
- ARTHUR D. EMORY Montreal, Quebec
Chairman, United Corporations, Ltd.
- A. E. HAROLD FAIR Brookline, Massachusetts
President
- MAURICE FORGET, Q. C. Montreal, Quebec
Partner, Forget & Forget
- ERNEST M. HOPKINS Hanover, New Hampshire
Chairman, National Life Insurance Company
- WILLIAM B. JOYCE New York City
President, Wm. B. Joyce & Company, Inc.
- ERNEST H. MALING Kennebunkport, Maine
Vice Chairman of the Board
- CHARLES P. McTAGUE, Q. C. Toronto, Ontario
Lawyer—White, Bristol, Gordon, Beck & Phipps
- G. A. MORRIS Montreal, Quebec
Director, Ogilvie Flour Mills Co., Limited
- JOHN L. SULLIVAN Washington, D. C.
Lawyer — Sullivan, Bernard, Shea & Kenney
- GENE TUNNEY New York City
Chairman of the Board, The McCandless Corporation
- ARTHUR G. WALWYN Toronto, Ontario
President, Corporate Consultants, Ltd.
- R. HOWARD WEBSTER Montreal, Quebec
Managing Director, The Imperial Trust Company
- LAURENCE F. WHITTEMORE
*Pembroke, New Hampshire
Chairman of the Board*

Officers and Staff

- LAURENCE F. WHITTEMORE *Chairman of the Board*
- A. E. HAROLD FAIR *President*
- STUART W. SKOWBO *Vice President and Treasurer*
- ROBERT W. ANDREWS
Vice President and Works Manager
- JOHN W. JORDAN
Vice President, General Counsel and Secretary
- NEWTON L. NOURSE *Vice President — Sales*
- CLARENCE S. HERR
Vice President — Woods Operations
- DR. GEORGE A. DAY *Research Director*
- DR. PAUL M. GOODLOE
Director of Quality and Process Control
- KENNETH V. COOMBES *General Purchasing Agent*
- MILTON W. HAYES *Director of New Products*
- WILLIAM J. OLESON, JR. *Controller*
- ALEXANDER B. WALKER *Budget Director*
- HUGH D. JORDAN *Manager of Costs*
- JOHN J. McDONALD
Manager, Pulp and Floc Sales Division
- GILFORD F. HENDERSON
General Sales Manager, Paper and Paper Products Division
- HAROLD E. MOLEY *Manager, Paper Sales Division*
- WILLIAM T. LaROSE
Manager, Towel and Tissue Sales Division
- URBAN J. DACIER *Manager, Onco Sales Division*
- NICHOLAS C. NELSON
Manager, Foreign Sales Division
- FREDERICK L. GRAHAM
Sales Representative — Continental Europe
- ALBERT E. PENNEY
Production Manager, Pulp and Paper
- ARTHUR R. TAYLOR
General Manager — Bermico Division
- STANLEY H. WENTZELL
General Logging Superintendent
- EDWARD J. REICHERT *Assistant Secretary*
- LEONARD A. PIERCE *Clerk*

Registrars and Transfer Agents for Common Stock

- Principal Transfer Agent*
Second Bank—State Street Trust Company, Boston
- Montreal Transfer Agent* Guardian Trust Company
- New York Transfer Agent*
Chemical Corn Exchange Bank
- Toronto Transfer Agent* The Royal Trust Company
- Principal Registrar* The First National Bank of Boston
- Montreal Registrar* Montreal Trust Company
- New York Registrar* The New York Trust Company
- Toronto Registrar* Montreal Trust Company

Registrar for the Company's 4½% Debentures

- Old Colony Trust Company Boston

General Office:
Berlin, New Hampshire

Mills:
Berlin and Gorham, New Hampshire

Executive and General Sales Offices:
150 Causeway Street, Boston 14, Mass.

