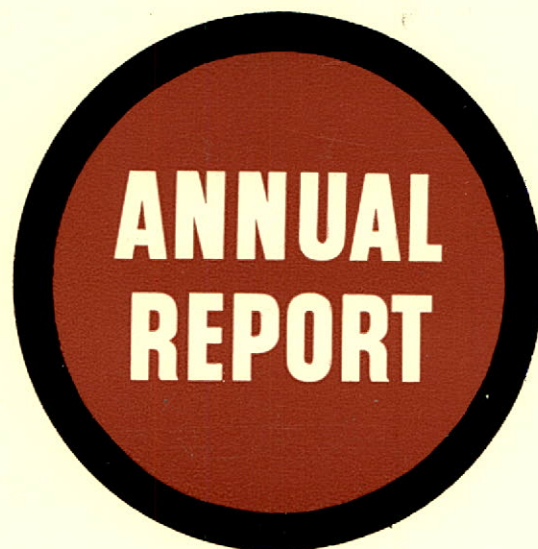


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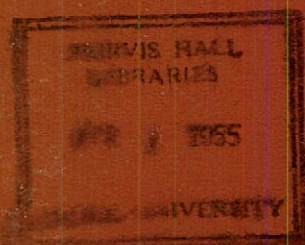


1954

PAGE-HERSEY TUBES, LIMITED

CROWLAND

ONTARIO



ANNUAL REPORT 1954



PAGE-HERSEY TUBES, LIMITED

BOARD OF DIRECTORS

W. E. Bannerman	Toronto, Ont.
Senator Armand Daigle	Montreal, Que.
Jas. S. Duncan	Toronto, Ont.
H. J. Fuller	New York, N.Y.
W. G. F. Grant, Q.C.	Toronto, Ont.
A. Macfadyen	Toronto, Ont.
Gordon F. Perry	Toronto, Ont.
R. C. Poskanzer	Albany, N.Y.
D. W. Stewart, Jr.	Renfrew, Ont.
L. V. Sutton, Q.C.	Toronto, Ont.
N. E. Tanner	Calgary, Alta.

OFFICERS

A. Macfadyen	President and General Manager
D. W. Stewart, Jr.	Vice-President
R. C. Poskanzer	Vice-President
W. E. Bannerman	Vice-President
C. F. Anderson	Vice-President
W. J. Spencer, C.A.	Treasurer and Comptroller
A. C. Mitchell	Secretary
M. K. Rainer	Assistant Secretary

TRANSFER AGENTS

CANADA

National Trust Company, Limited, Toronto and Vancouver
The Toronto General Trusts Corporation, Montreal

UNITED STATES OF AMERICA

The National Commercial Bank and Trust Company, Albany, N.Y.

ANNUAL REPORT

OF THE DIRECTORS OF

PAGE-HERSEY TUBES, LIMITED

TO THE SHAREHOLDERS:

Your Directors submit herewith the Annual Report of your Company and its subsidiaries, together with consolidated financial statements and the report of your auditors, for the year ended December 31, 1954.

PROFITS

Net profit for the year after providing for depreciation and income taxes amounted to \$2,900,810 equal to \$4.16 per share which compares with \$3,241,614 or \$4.65 per share in the year 1953.

DIVIDENDS

Dividends paid at the rate of \$3.00 per share totalled \$2,091,312 and were the same as the previous year.

DEPRECIATION

The sum of \$600,000 was set aside to provide for depreciation. The reserve for depreciation of buildings and plant now stands at \$11,232,237.

WORKING CAPITAL

This amounted to \$17,206,452, a decrease of \$405,410, and is accounted for as follows:

SOURCE OF FUNDS

Net profit for the year	\$2,900,810
Provision for depreciation	600,000
Decrease in working capital.	405,410
	<hr/> \$3,906,220

APPLICATION OF FUNDS

Additions to plant	\$1,322,351
Dividends paid	2,091,312
Company debentures purchased for sinking fund purposes	461,830
Miscellaneous	30,727
	<hr/> \$3,906,220

CURRENT POSITION

Current Assets at December 31, 1954, totalled \$19,828,242 and Current Liabilities \$2,621,790.

Comparative ratios are as follows:

1954	1953	1952
7.56 to 1	5.91 to 1	4.16 to 1

INVENTORY

The value of stock on hand amounted to \$7,452,153, a decrease of \$2,001,921 from the year 1953. We indicated in our last report that a reduction in stock on hand could be anticipated in the year 1954 since steel was expected to be in freer supply. Your Directors are, however, mindful that larger inventories of semi-finished steel may now become necessary to care for increased sales resulting from new gas and oil pipe lines at present planned for this Country.

CAPITAL EXPENDITURE—1954

Additions to plant amounted to \$1,322,351. The greater part of this expenditure is represented by major improvements in the Seamless Mill. It was expected that the modernization of this unit would have been completed late in 1954 but delays in delivery of machinery have held up completion of these changes until the Spring of 1955.

CAPITAL EXPENDITURE—1955

Your Directors have authorized an expenditure of \$2,000,000 to improve the facilities of the 4½" O.D. to 16" O.D. Electric-Resistance Weld Pipe Mill.

SALES

Shipments for the first four months of the year were disappointing, being down sharply from the corresponding period in the previous year. Thereafter, however, demand increased and, by the end of 1954, tonnage shipped approximated that of the previous year.

PLASTIC PIPE AND TUBES

Early in 1954 your Company purchased all of the outstanding shares of PLASTIC PIPES LIMITED, RENFREW, ONTARIO. This acquisition will enable us to participate in this new and expanding field.

QUARTER CENTURY CLUB

Membership in the Quarter Century Club now totals 315, an increase over last year of 34.

Your Directors wish to express their thanks to all who have contributed to the successful operation of the Company during the year.

Submitted by order of the Board.

A. MACFADYEN,

President

CONSOLIDATED

AS AT DECEMBER 31, 1964

ASSETS

CURRENT

Cash on hand and in banks	\$ 2,249,220
Accounts and bills receivable—less reserve	3,057,755
Due from employees—fully secured by Canada Savings Bonds—Series 9	66,389
Investment in government bonds and marketable securities (market value \$7,179,535)	7,002,725
Inventories—valued at lower of cost or market—less reserve	7,452,153
	<hr/>
	\$19,828,242

FIXED

Real estate, buildings and plant—at cost	19,977,132
Less: Reserve for depreciation	11,232,237
	<hr/>
	8,744,895

\$28,573,137

UBES, LIMITED

RY COMPANIES

BALANCE SHEET

BER 31, 1954

LIABILITIES

CURRENT

Accounts payable and accrued expenses	\$ 1,020,176	
Dividend declared and payable January 3, 1955	522,828	
Income taxes—less amounts paid	1,078,786	
	<hr/>	\$ 2,621,790

FUNDED DEBT

3½ % Sinking fund debentures to mature April 1, 1965		
Initial issue outstanding	2,795,000	
October 1950 issue outstanding	1,707,000	
	<hr/>	4,502,000

RESERVES

General reserve	1,000,000	
Provision for employee pensions	657,891	
	<hr/>	1,657,891

CAPITAL AND SURPLUS

CAPITAL STOCK		
Authorized—1,000,000 shares of no par value		
Issued and outstanding—697,104 shares	6,249,671	
EARNED SURPLUS	13,541,785	
	<hr/>	19,791,456
		<hr/>
		\$28,573,137

Signed on behalf of the Board:

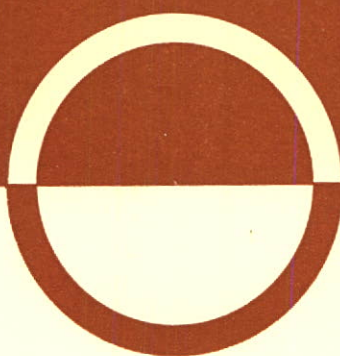
A. MACFADYEN, Director

D. W. STEWART, JR., Director

Certified as per Auditors' Report attached.

PAGE-HERSEY TUBES, LIMITED

AND SUBSIDIARY COMPANIES



Statement of Consolidated Earnings

FOR YEAR ENDED DECEMBER 31, 1954

Profit from operations	\$5,055,950	
Income from and profit on sales of investments	431,184	
	<hr/>	\$ 5,487,134
Depreciation of plant	600,000	
Interest on funded debt	138,069	
	<hr/>	738,069
 NET PROFIT BEFORE TAXES ON INCOME	 4,749,065	
Provision for income taxes	1,848,255	
	<hr/>	
BALANCE CARRIED TO EARNED SURPLUS	\$ 2,900,810	
 The following items have been deducted in determining profit noted above:		
Directors' fees	\$ 13,500	
Executive salaries and solicitors' fees	227,618	

Statement of Consolidated Earned Surplus

FOR YEAR ENDED DECEMBER 31, 1954

Balance January 1, 1954	\$12,696,117
Balance carried from statement of earnings for 1954	2,900,810
Excess of par value over cost of debentures retired	36,170
	<hr/>
	15,633,097
Dividends paid and declared	2,091,312
	<hr/>
Balance December 31, 1954	\$13,541,785
	<hr/>

AUDITORS' REPORT

PETTIT, HILL AND BERTRAM

CHARTERED ACCOUNTANTS

199 BAY STREET,
TORONTO 1

TELEPHONE
EM. 3-2381

HOLLAND PETTIT, JR., C.A.
R. DOUGLAS HILL, C.A.
R. C. BERTRAM, B.COM., F.C.A.
T. D. WARDLAW, C.A.
DONALD D. HILL, C.A.

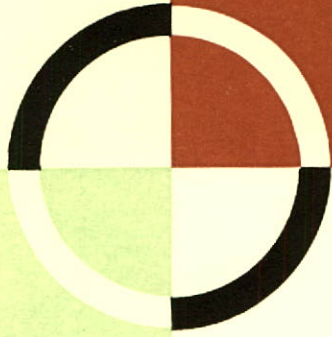
To the Shareholders,
Page-Hersey Tubes, Limited,
Crowland, Ontario.

We have examined the consolidated balance sheet of Page-Hersey Tubes, Limited and Subsidiary Companies as at December 31, 1954 and the statements of consolidated earnings and surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying consolidated balance sheet and statements of consolidated earnings and surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the company and its subsidiaries as at December 31, 1954 and the results of their operations for the year ended on that date, according to the best of our information and the explanations given to us and as shown by the books of the company and its subsidiaries.

Toronto, February 11, 1955.

Pettit, Hill and Bertram.
Chartered Accountants



PAGE-HERSEY PRODUCTS

ELECTRIC-RESISTANCE WELD PIPE

For oil, gas and water lines, industrial and general use. For standard and high pressure requirements. For Line Pipe, Drive Pipe, Oil, Gas and Water Well Casing, Mine Shaft Pipe, Piling and Structural Columns.

"STRETCH-REDUCED" CONTINUOUSWELD PIPE

For plumbing and heating and general use.

SEAMLESS PIPE AND TUBING, HOT FINISHED OR COLD DRAWN

For all piping purposes, particularly high pressure requirements, as in heat exchangers, condensers; stationary, locomotive and naval boilers; all classes of mechanical tubes.

LAPWELD PIPE

For oil, gas and water lines, industrial and general use.

ELECTRICWELD TUBING

For mechanical purposes, such as automotive parts, bicycles, bedstead, carriages, conveyors, furniture, irrigation, playground equipment, vacuum cleaners and television masts. For pressure applications, such as in air heaters, boilers, condensers and transformers.

NIPPLES AND COUPLINGS

Sizes and lengths for the complete range of Page-Hersey pipe.

PLASTIC PIPE

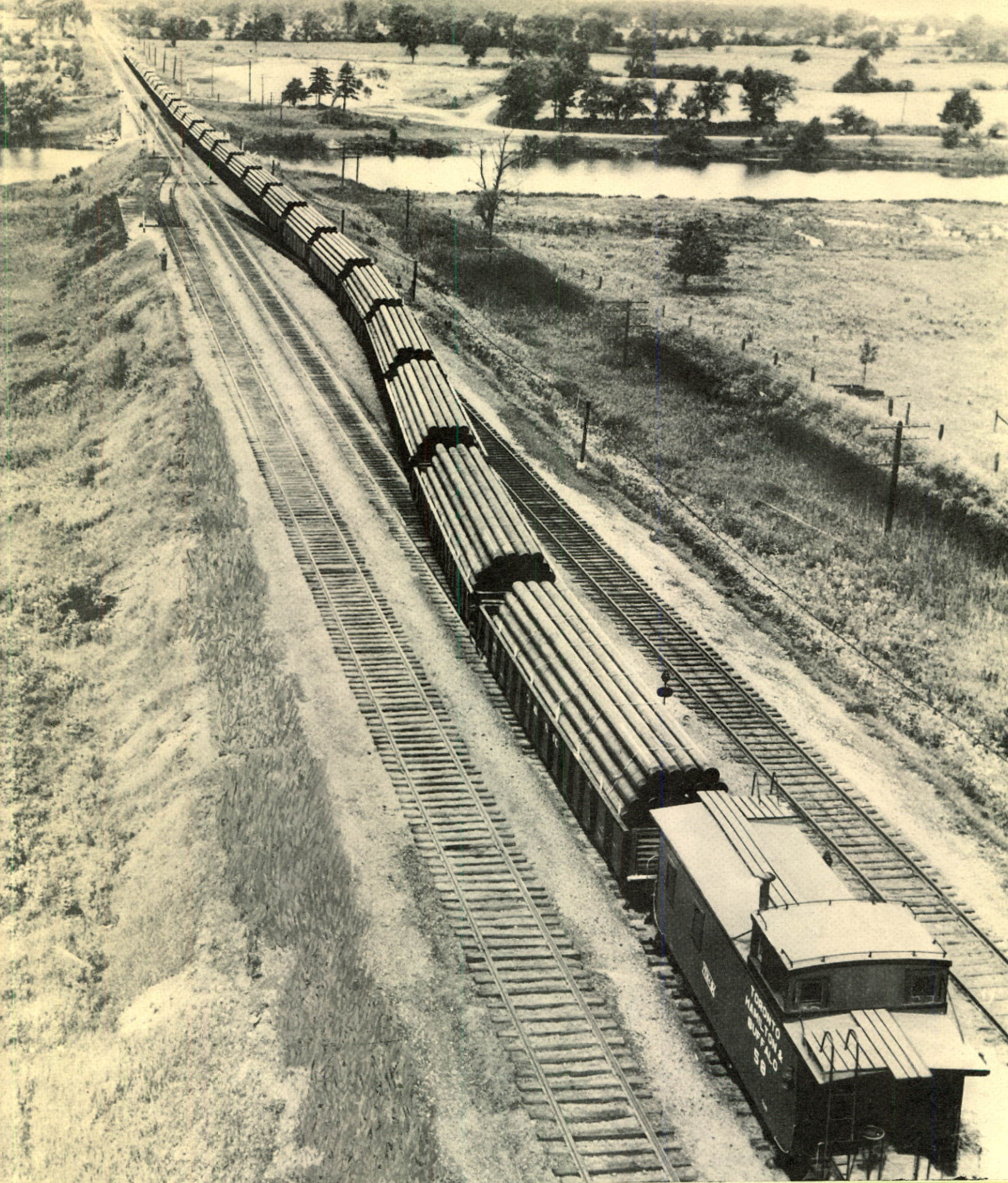
Made from virgin Polyethylene—
For farms, industry, mines and irrigation.

TUBULAR STEEL POLES

For street railways and trolley buses, lighting, flag and display.

SPECIAL COATINGS

Mill applied hot-dip Galvanizing.
Coal tar enamel coatings, internally and/or externally applied. Fully bonded asbestos felt or glass fibre, with kraft paper wrappings. For pipe lines and water works.



Trainload of large diameter Page-Hersey steel pipe leaving our plant at Welland. The pipe in this shipment was used in the construction of an oil pipe line in Western Canada.

EXECUTIVE OFFICES

TORONTO

BRANCHES AT

HALIFAX

MONTREAL

WINNIPEG

CALGARY

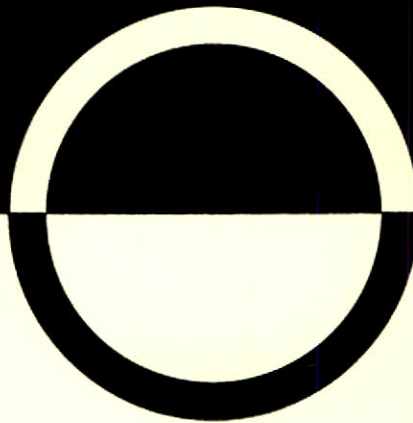
EDMONTON

VANCOUVER

MILLS AT

WELLAND

ONTARIO



PAGE-HERSEY TUBES, LIMITED