

# THE PRESIDENT'S LETTER

# TO OUR STOCKHOLDERS

This year we are celebrating the 75th Anniversary of our Company. In February, we were host to the Building Stone Institute here in Atlanta and Tate. In October, we will again be host to the Marble Institute of America, Inc. We are planning other affairs during the year in celebration of this Anniversary.

Your management is pleased with the results shown in our 74th Annual Report to you, our stockholders. Sales for 1958 were \$15,149,000 as compared with \$13,585,000 for 1957. Net profits for 1958 were \$1,762,000 as compared with \$1,625,000 for 1957.

The regular dividends of 50c per share were paid on preferred stock. The common stockholders received the regular dividend of \$1.00 per share and a year-end extra dividend of 50c per share in cash. For the fourth consecutive year, each stockholder received one additional share of common stock for each 20 shares held. The dividends represent aggregate distributions to stockholders in the amount of \$1,502,000, leaving a balance of \$260,000 from 1958 earnings to be added to surplus. On December 12, 1958, our stockholders authorized a stock split of 100% or one additional share for each share of common stock held by the stockholders. The par value of common stock remains at \$10.00 per share.

The Company's financial position at the close of 1958 was excellent, with working capital increasing \$536,000 to a high of \$4,173,000.

The management has continued the plant, machinery and quarry improvement program throughout 1958 with a total capital expenditure of \$1,222,000, a part of which was for replacements. This program is now near completion, and we anticipate good results from these improvements started a little over two years ago. Part of this improvement program includes a new mill building and machinery for the fabrication of heavy building jobs at Nelson Division. We are near completion of the addition of 20 new and modern gangsaws in the Nelson and Alberene Divisions, which will give us a total of 160 gangsaws for the entire Company. Plant No. 1 of the Calcium Products Division has been rebuilt with modern crushing and screening facilities. Plant No. 6 at Calcium Products is well along and we will be in production of a new product during the month of April. These two improvements should add some 10% to 20% to the sales of this Division. Additional wiresaws and another guillotine have been added for the production of split-face.

In February of 1958, we acquired the Campbell Lime & Stone Company of Mineral

Bluff, Georgia, through purchase, and it was made a part of the Willingham-Little Stone Division. This new property gives us additional stone reserves needed for our terrazzo trade. Also a new corporation was organized in 1958, owned jointly by your Company and Consolidated Quarries Corporation of Lithonia, Georgia. This corporation will be in full production by May 1, producing granules for the poultry grit trade and other uses.

On December 31, 1958, our backlog of building and monumental orders had reached an all time high of \$6,407,000. This compares with \$3,588,000 on the same date for 1957. Part of this increase was from a large contract with the United States Government for the marble needed in the rebuilding of the east front of our National Capitol in Washington. This is a very nice job for your Company and we are most happy to have our marble go into the number one building in our country. The prospects for marble for the building trade are most encouraging. We are presently estimating several large jobs that should enable us to continue full time production on our present stepped-up scale. There was a drop in our monumental backlog and this division does not look as bright as the building trade.

Each year we realize more and more the importance of diversification of production and plants. Some of the newer divisions made substantial contributions toward the overall 1958 results. Your management strongly recommends further diversification in the future.

Sales and engineering personnel were again increased in 1958, and we now have many good young men to fill the gaps in the future.

My sincere thanks to our Board of Directors, officers and loyal employees who have contributed so much to our success in the year 1958.

Respectfully submitted,

JOHN W. DENT  
President

March 24, 1959