Metropolitan Broadcasting

Stock	*Price 11/14/58	Dividend	Yield
COMMON	9 - 10	None	None

POSITION: The company operates television stations WNEW (formerly WABD) in New York and WTTG in Washington, and radio stations WNEW AM-FM in New York and WHK in Cleveland.

FUNDAMENTAL POSITION

Metropolitan Broadcasting, formerly DuMont Broadcasting, operated as a division of Allen B. DuMont Laboratories prior to spin-off in 1955. It owns independent TV stations WNEW (formerly WABD) in New York and WTTG in Washington.

Radio station WNEW, New York, operating as an independent station of 50,000 watts, was acquired in 1957, and WHFI, an FM station in Newark, New Jersey, was acquired early in 1958 for operation as WNEW-FM. This change had been made by mid-May, 1958.

In February, 1958, it was announced that the company had purchased radio station WHK, Cleveland, from Forest City Publishing, subject to approval by the FCC, which subsequently was received.

A plan to purchase television station KTLA, Los Angeles, Famous Music and interests in other affiliates of Paramount Pictures has been dropped. However, the company plans eventually to acquire both TV and radio stations up to FCC limit.

Television station WABD is the fourth ranking station in New York, featuring both filmed and live programs of particular interest to metropolitan area residents. Programs include TV Bingo game and Congressional hearings of unusual interest. Facilities for color TV are being installed.

Television station WTTG in Washington ranks number four in its area. The largest audience coverage comes from telecasting Senators and Orioles baseball games.

Radio station WNEW ranks first in billings and profits among all 22 radio stations in New York.

Employees: About 400.

EARNINGS-DIVIDEND RECORD

Yr. End. Dec. 31	aNet Sales	---Per Share Data ($)---- Earns.	Divs.	bRange
1958	---	---	---	9¾ - 6¾
1957	8.60	0.16	Nil	10⅜ - 6
1956	5.10	d0.95	Nil	7⅝ - 5
1955	5.06	d1.17	Nil	7⅜ - 6¼

a In millions of dollars. b Bid prices. d Deficit.

RECENT DEVELOPMENTS

Aided by inclusion of operations of WNEW for seven months, revenues expanded 69% over the year-earlier level in 1957. The larger gross was more than sufficient to cover rising costs, and a profit from operations of $1,040,695 contrasted with an operating deficit of $753,014 in 1956. A net profit also was realized, despite increased depreciation and amortization allowances and a charge (none in the preceding year) of $569,167 for amortization of talent contracts. Federal income tax liability again was avoided; tax credits carried over into 1958 amounted to $1,322,016.

The WTTG (Channel 5, Washington) transmitter has been moved to an improved site in the same area from which the three other Washington television stations broadcast. This has resulted in substantial improvement to the signal.

In the 26 weeks ended June 30, 1958, revenues were equal to 58% of the total for all of 1957. Net income was 4.7 times that for the 26 weeks ended June 30, 1957, and earnings expanded to $0.20 a share, from $0.04. Special write-offs may hold full-year profits somewhat below the 1957 level.

For 1959, station WHK is expected to make a larger contribution to over-all results.

*Approx.-Traded over the counter.

EARNINGS AND BALANCE SHEET POSITION

INTERIM CONSOL. INC. ACCT.: $

13 Wks. Ended:	Gross Revs.	Net Income	Sh. Earns.	Shs. Outstg.
Jun.30'58	2,464,391	250,173	0.16	1,541,137
Jun.30'57	N.R.	135,910	0.09	1,541,137
26 Wks. Ended:				
Jun.30'58	5,827,860	306,194	0.20	1,641,137
Jun.30'57	N.R.	65,254	0.04	1,541,137

CONSOL. INC. ACCT., 52 WKS. END.: $

	Dec.28'57	†Dec.29'56
Broadcasting inc.	8,604,541	5,100,373
Film contr. rights	1,385,791	1,189,151
Oth. direct costs of programs	1,581,710	1,333,227
Oper., sell. & adm. exps.	4,596,345	3,331,009
Oper. income	1,040,695	d753,014
Rental income	302,469	254,776
Other income	7,105	------
Total income	1,350,269	d498,238
Depr. & amort.	537,642	354,996
Amort. of talent contracts	569,167	------
Interest	------	46,359
Net income	243,460	d899,593
*Sh. Earns.	$0.16	d$0.95
d Deficit.		
*Shs.:	1,541,137	944,436
†Company only.		

CONSOL. BAL. SHEET: $

Assets—	Dec.28'57	†Jan.26'57
*Net property	4,755,909	2,266,200
Talent & contrs., net	2,848,210	------
Current Assets—		
Cash	1,273,764	342,001
U. S. Treas. notes	59,925	------
Accts. rec., net	1,383,751	605,085
Due from WNEW Broadcasting Inc. stkhldrs. contra	257,126	------
Film contr. rights, net	2,541,956	2,506,285
Inventories	57,718	59,919
Prepayments	38,942	54,878
Tot. curr. assets	5,613,182	3,568,168
Total assets	13,217,301	5,834,368
Liabilities—		
Com. stk. p. $1	1,541,137	944,436
Long term debt	2,659,535	1,149,795
Film contr. pay.	750,680	1,122,728
Defd. inc.	116,770	69,129
Paid-in surp.	5,724,959	2,042,836
Earn. surplus	d1,322,016	d1,652,451
Current Liabilities—		
Notes pay.	316,800	------
Curr. debt mat.	776,211	1,746,661
Accts. pay. & accrs.	672,143	411,234
Film contr. pay.	1,723,956	------
Taxes accr.	257,126	------
Tot. curr. liab.	3,746,236	2,157,895
Total liabs.	13,217,301	5,834,368
Net wkg. cap.	1,866,946	1,410,273
Equity per sh.	$3.86	$1.41
*Depr. & amort.	2,627,544	N.R.
d Deficit.		
†Company only.		

STOCK DATA

The company was formed as DuMont Broadcasting to acquire the broadcasting facilities of Allen B. DuMont Laboratories for 944,436 shares on the basis of one Broadcasting share for each 2.5 DuMont Laboratories shares. Stockholders were offered 314,812 additional shares in 1957 at $7 each on a one-for-three basis. WNEW was acquired in 1957 for 281,889 shares and $2,932,087.

The present title was adopted in 1958.

Paramount Pictures owns 335,220 shares. Shareholders: About 6,990.

FINANCES

On December 28, 1957, current ratio was 1.5 to 1.

DIVIDEND DATA

Under the bank loans, no dividends may be paid. Working funds must be $800,000. No dividends have been paid.

CAPITALIZATION

LONG TERM DEBT: $3,410,215.

COMMON STK: 1,541,137 shs. ($1 par).

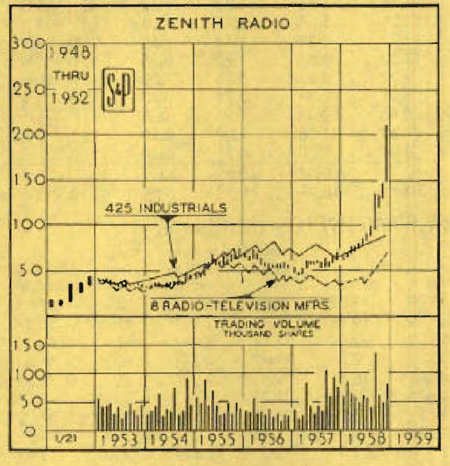
OPTIONS: To purchase 69,250 shs. at $7.25 to $8.53 each to Jan. 7, 1968.

INCORPORATED in Delaware in 1955. OFFICE - 205 E. 67 St., New York. PRESIDENT - B. Goodwin. SECRETARY - A. Israel, Jr. TREASURER - R.L. Geismar. DIRECTORS - B. Balaban, R.D. Buckley, A.G. Erpf, T.T. Goldsmith Jr., B. Goodwin, R.C. Jones, D.J. Mahoney, P. Raibourn, P.M. Stewart, E.L. Weisl. TRANSFER AGENTS - Bank of New York; United States Corporation Co., Jersey City. REGISTRARS - Manufacturers Trust Co., New York; Corporation Trust Co., Jersey City.

Zenith Radio

Stock—	Approx. Price	Dividend	Yield
CAPITAL	195	[2]$6.00	[2]3.1%

RECOMMENDATION: In addition to its prominent position in the radio and television set field, Zenith is also an important maker of hearing aids and television picture tubes. Considering the basically volatile nature of the business, the past record of earnings and dividends is outstanding. Retention of the shares at current advanced prices is warranted in view of the promising immediate and longer-range prospects.



SALES (Million $)

Quarter:	1958	1957	1956	1955	1954	1953
March.....	42.2	36.7	37.9	40.4	29.3	47.9
June........	32.3	29.8	27.5	31.1	27.3	34.3
Sept........	53.6	44.6	35.2	37.0	34.3	43.6
Dec.........		48.9	40.9	44.4	47.7	40.9

Sales in the first nine months of 1958 were up 15.3% from those in the corresponding period of the year before. Although total industry shipments of television and radio sets dropped markedly in the period, burgeoning consumer acceptance of the company's lines permitted the impressive performance. In addition, sales of hearing aids and high-fidelity units registered increases. Margins widened on the larger volume, extending the gain in earnings before taxes to 32.9%. After provision for taxes at 53.2%, compared with 53.5%, net income advanced 33.8%. Profits were equal to $6.64 and $4.96 (adjusted for 2-for-1 split) a share in the respective periods.

[4]CAPITAL SHARE EARNINGS ($)

Quarter:	1958	1957	1956	1955	1954	1953
March......	2.07	1.68	1.86	2.10	0.84	2.14
June.........	0.97	0.76	0.71	1.07	0.47	[3]0.68
Sept.........	3.60	2.53	1.38	1.91	1.31	1.34
Dec..........		3.32	2.32	3.08	3.15	1.56
12Mos.Sept.	9.96	7.29	7.03	8.23	4.18	5.66

PROSPECTS

Near Term—A good increase in industry TV set sales appears possible in the months ahead. The company has been steadily expanding its share of the market and should be able at least to maintain its improved position. Thus, sales of these products are expected to grow further in 1959. In addition, comparisons will be aided by increased output of radio receivers, packaged high-fidelity units, hearing aids and industrial and military electronic equipment. Sales for 1958 are estimated to have risen to $185 million from the year-earlier $160 million.

Margins should be at least maintained on the larger volume. Thus, earnings in 1959 are expected to show a good gain from the $10.50 a share estimated for 1958. Liberalization of dividends, currently at $0.50 quarterly, plus annual extra and special payments of $2 each, is considered probable.

Long Term— Sales and earnings growth will depend on the company's ability to expand further its share of the market. Increased emphasis on military and commercial electronics holds considerable long-term promise.

RECENT DEVELOPMENTS

On November 29, the company reported that it had bought Central Electronics, Inc., a Chicago radio equipment producer.

DIVIDEND DATA

There are no restrictions. Dividends in the past 12 months were:

Amt. of Divd. $	Date Decl.	Ex-divd. Date	Stock of Record	Payment Date
1.00....	Feb. 27	Mar. 11	Mar. 14	Mar. 31'58
*Stk....	....	....	Mar. 31	Mar. 31'58
*One additional share for each sh. held to effect a 2-for-1 split.				
--After 2-for-1 split--				
0.50....	Apr. 22	Jun. 9	Jun. 12	Jun. 30'58
0.50....	Aug. 15	Sep. 9	Sep. 12	Sep. 29'58
0.50....	Nov. 25	Dec. 9	Dec. 12	Dec. 29'58
2.00Ext.	Nov. 25	Dec. 9	Dec. 12	Dec. 29'58
2.00 Spl.	Nov. 25	Jan. 6	Jan. 9	Jan. 30'59

[1]Listed N.Y.S.E. Midwest & Boston S.Es.; also traded Pacific Coast & Detroit S.Es. [2]Indicated rate, incl. extra on Dec. 29, 1958 & special on Jan. 30, 1959. [3]Aft. flood loss of $0.59. [4]Adj. for 2-for-1 stk. split in Mar. 1958.

INCOME STATISTICS (Million $) AND PER SHARE ($) DATA

[1] Year Ended Dec. 31	Net Sales	% Oper. Inc. of Sales	Oper. Inc.	Maint. & Repairs	Deprec.	Net Bef. Taxes	Net Inc.	[2] Capital Share ($) Data: Earns.	Divs. Paid	Price Range
1959—	———	——	———	——	——	———	——	——	2.00	———
1958—	———	——	———	——	——	———	——	——	5.00	208½–67½
1957—	160.02	13.4	21.37	0.95	1.28	17.34	8.17	8.29	2.50	70⅛–45⅝
1956—	141.53	11.8	16.63	0.91	1.50	13.30	6.18	6.27	2.50	70⅝–50½
1955—	152.91	14.2	21.68	0.89	1.61	17.10	8.03	8.16	2.50	71¼–43
1954—	138.61	10.8	14.95	0.81	1.48	12.06	5.68	5.77	1.50	48 –31¾
1953—	166.73	10.2	16.98	1.24	1.24	13.16	5.63	5.72	1.50	42 –31⅝
1952—	137.64	12.1	16.61	1.03	1.05	13.20	5.85	5.94	1.50	44 –34
1951—	110.02	13.2	14.57	0.82	0.64	11.77	5.37	5.46	1.50	35¾–23¾
1950—	87.70	16.5	14.44	0.41	0.42	11.53	5.63	5.72	0.75	35⅛–15¾
1949—	99.21	13.2	13.13	0.88	0.57	9.72	5.27	5.35	1.00	16¾–10⅝
1948—	77.15	7.2	5.58	0.22	0.35	4.81	2.71	2.75	0.75	17½– 9⅞
1939—	20.38	3.7	8.76	0.06	0.08	0.88	0.74	0.75	0.50	11 – 6
1938—	17.98	8.0	1.44	——	0.11	1.33	1.08	1.09	0.50	12⅞– 4½
1937—	17.39	5.5	0.95	——	0.12	0.86	0.70	0.71	0.50	21⅞– 6
1932—	———	——	d0.21	——	0.10	d0.58	d0.58	d0.59	Nil	1 – ¼
1929—	———	——	0.002	——	0.16	d0.26	d0.26	d0.33	0.75	30⅞– 3⅛

PERTINENT BALANCE SHEET STATISTICS (Million $)

[1] Dec. 31	Gross Prop.	Capital Expend.	Cash Items	Inventories	Receivables	Current Assets	Current Liabs.	Net Workg. Cap.	Cur. Ratio Assets to Liabs.	Long Term Debt	[2] ($) Book Val. Cap. Sh.
1957—	21.62	1.22	38.43	12.13	14.52	65.08	19.89	45.19	3.3–1	Nil	65.44
1956—	20.48	1.13	35.02	10.75	12.22	57.99	19.88	38.11	2.9–1	Nil	50.07
1955—	19.55	0.69	32.92	11.45	11.70	56.07	22.00	34.06	2.5–1	Nil	46.30
1954—	19.03	2.74	26.79	11.65	11.60	50.05	22.58	27.47	2.2–1	Nil	49.64
1953—	16.55	3.53	16.49	13.09	11.47	41.05	16.61	24.43	2.5–1	Nil	36.38
1952—	13.22	2.23	13.50	17.57	14.18	45.26	21.94	23.32	2.1–1	0.80	34.16
1951—	11.18	2.23	15.91	11.41	7.28	34.59	13.87	20.72	2.5–1	1.60	27.73
1950—	9.10	1.22	11.71	13.93	9.73	35.36	16.40	18.96	2.2–1	2.40	23.52
1949—	7.97	0.74	11.59	7.36	8.12	27.07	11.80	15.27	2.3–1	2.40	18.81
1948—	7.41	0.87	6.69	9.02	4.99	20.70	11.38	9.32	1.8–1	3.20	12.85

[1] Fiscal yr. end. April 30 of follow. cal. yr. bef. 1950; 8 mos. end. Dec. 31 in 1950. [2] Adj. for 2-for-1 split in 1958. d Deficit.

Fundamental Position

Zenith Radio is one of the leading manufacturers of radio and television receiving sets, and is also an important producer of radio-phonographs and hearing aids.

The Rauland Corp., a subsidiary, produces cathode ray television tubes; and Wincharger Corp., another subsidiary, is a manufacturer of electric systems for farms and of small electric motors, and also produces table model radio receivers.

Zenith is one of the three companies which have developed subscription television systems. Its system is known under the trade name Phonevision. Authorization for subscription television is currently under consideration by the FCC.

Company has four plants in Chicago, having a total of more than 1,500,000 square feet of floor space. Wincharger Corp. owns a plant at Sioux City, Iowa, containing 130,000 square feet of floor space. The Rauland Corp. owns two units in Chicago containing a total of 180,000 square feet. Wholesale distributing subsidiaries occupy buildings in New York City (leased) and in Chicago.

The company owns Frequency Modulation Station WEFM and Television Broadcasting Station KS2XBR in Chicago, mainly for experimental purposes.

Employees: 7,500. Shareholders: 5,000.

Earnings-Dividends

The company's post-war earnings record is outstanding when viewed in relation to the highly volatile nature of the TV-radio business. While sharply higher since 1950, sales had fluctuated with the ebb and flow of TV demand until 1957.

Dividends, paid since 1936, averaged 31% of earnings in the five years through 1957.

Finances

The company has financed its post-World War II expansion largely through retained earnings. However, an extremely strong financial position has been consistently maintained. At the end of 1957, cash items were over three times estimated requirements.

CAPITALIZATION

LONG TERM DEBT: None.

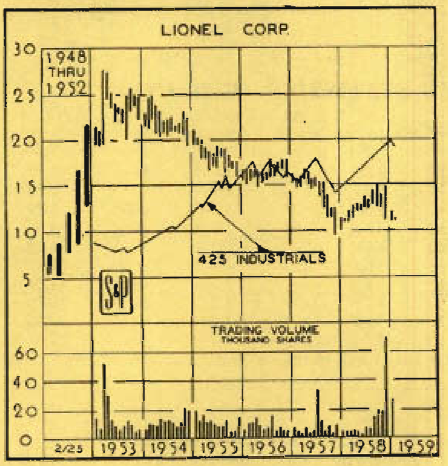
CAPITAL STOCK: 984,928 shares ($1 par).

Incorporated in Del. in 1958. **Office**—6001 West Dickens Ave., Chicago 39. **Pres**—H. Robertson. **Exec VP**—J. S. Wright. **Treas**—S. Kaplan. **Secy**—K. E. Hassel. **Dirs**—K. E. Hassel. S. Kaplan, E. M. Kinney, H. MacFarland, F. A. Miller, E. N. Rauland, H. Robertson, W. S. Woodfill, J. S. Wright. **Transfer Agents**—Chemical Corn Exchange Bank, NYC; First National Bank of Chicago. **Registrars**—Chase Manhattan Bank, NYC; Continental Illinois National Bank & Trust Co., Chicago.

Lionel Corp.

Stock—	Approx. Price	Dividend	Yield
COMMON	$11\frac{7}{8}$	[2]----	[2]----

RECOMMENDATION: Lionel is considering acquisitions which would broaden its sales and earnings base and afford greater diversification. However, there is nothing in the immediate outlook to suggest a marked change in its basic position. Deficits have been incurred on recent operations, and the dividend was passed. The shares seem to have little appeal at current prices and are largely a speculation on the eventual restoration of earnings.



[3]**SALES (Million $)**

Quarter:	1958	1957	1956	1955
March	0.66	0.78	1.68	1.19
June	2.21	3.21	6.40	4.77
Sept.	6.03	7.66	8.68	6.88
Dec.		7.13	6.07	7.67

Sales in 1957 fell 17.7% from those in the year before. The high overhead burden entailed in partial-capacity operations exerted pressure on margins. Thus, the drop in operating income was extended to 24.7%. Earnings before taxes were down 45.5%. After taxes at 49.9%, compared with 51.3%, (and tax credits in both years) the decline in final net was 43.9%.

In the first nine months of 1958, sales dropped 23.6% from those in the corresponding period of the year before. A pretax loss of $464,837 contrasted with earnings of $1,239,934. A tax credit reduced the final loss to $261,337, or $0.36 a share. In 1957, a profit equal to $0.81 a share was reported, after taxes at 55.1%.

[3]**COMMON SHARE EARNINGS ($)**

Quarter:	1958	1957	1956	1955
March	d0.42	d0.39	d0.15	d0.25
June	d0.04	0.35	0.89	0.46
Sept.	0.09	0.85	0.96	0.77
Dec.		0.36	0.38	0.66

PROSPECTS

Near Term—The marked seasonal character of the company's business renders a close estimate of sales unfeasible. The toy-train market probably will show little immediate change, but intensive competition from low-priced foreign imports may cause the company's share of the total market to shrink. Sales of fishing reels are importantly dependent on weather conditions in the early part of the year. Total sales in 1958 are estimated to have fallen to $15 million from the reduced $18.8 million of 1957.

Margins probably will continue under pressure in the months ahead. Thus, the early restoration of profitable operations appears problematical. A loss is believed to have been incurred in 1958, compared with a profit of $1.17 a share in the year before. Dividends were passed in December, 1958.

Long Term—Sales and earnings growth will depend on the trend of births, general economic conditions and the success of new product lines. Intensive competition from imports will be a restrictive factor. The most likely avenue for expansion probable is through the acquisition of other concerns.

RECENT DEVELOPMENTS

The company will offer a non-catalogued line of train sets to a small group of catalog houses on an experimental basis this year. In addition, the premium and incentive markets will be aggressively pursued.

DIVIDEND DATA

There are no dividend restrictions. Dividends in the past 12 months were:

Amt. of Divd. $	Date Decl.	Ex-divd. Date	Stock of Record	Payment Date
0.20...	May 22	Jun. 3	Jun. 6	Jun. 30 '58
0.20...	Sep. 9	Sep. 16	Sep. 19	Sep. 30 '58

Directors 12-8-58 omitted dividend.

[1]Listed N. Y. S. E. [2]No action taken on dividend at Dec. 12, 1958 meeting. [3]Consolidated. d Deficit.

STANDARD LISTED STOCK REPORTS
STANDARD & POOR'S CORPORATION
Published at Lancaster, Pa. Editorial & Executive Offices, 345 Hudson St., New York 14, N. Y.

LIONEL CORPORATION (THE)

[4] INCOME STATISTICS (Million $) AND PER SHARE ($) DATA

[1] Year Ended Dec. 31	Net Sales	% Oper. Inc. of Sales	Oper. Inc.	Maint. & Repairs	Deprec. & Amort.	Net Bef. Taxes	Net Inc.	[3] Common Share ($) Data: Earns.	Divs. Paid	Price Range
1958—	——	——	——	——	——	——	——	——	0.95	15 -10
1957—	18.78	18.0	3.38	0.96	1.54	1.68	0.84	1.17	1.25	16⅝- 9⅝
1956—	22.83	19.7	4.49	0.89	1.30	3.08	1.50	2.08	1.25	18 -14⅞
1955—	20.51	17.7	3.64	0.86	1.16	2.33	1.18	1.64	1.25	21⅛-16
[2] 1954—	22.89	16.1	3.68	0.85	0.98	2.61	1.30	1.81	0.90	25 -19½
1953—	32.98	17.1	5.63	0.52	0.83	4.72	1.87	2.60	1.25	27⅞-19¼
1952—	28.16	16.0	4.51	0.40	0.68	3.79	1.56	2.17	1.25	21⅞-12⅞
1951—	19.09	23.3	4.44	0.31	0.65	3.73	1.40	1.94	1.17½	16⅛-13
1950—	21.54	24.7	5.33	——	0.65	4.84	2.26	3.14	1.25	12⅛- 7¾
1949—	15.28	22.1	3.37	——	0.65	2.71	1.65	2.29	0.95	8⅞- 5¼
1948—	15.56	20.1	3.12	——	0.53	2.59	1.59	2.21	0.71¼	7⅝- 5½

[4] PERTINENT BALANCE SHEET STATISTICS (Million $)

[1] Dec. 31	Gross Prop.	[5] Capital Expend.	Cash Items	Inven-tories	Receiv-ables	Current Assets	Current Liabs.	Net Workg. Cap.	Cur. Ratio Assets to Liabs.	Long Term Debt	[3] ($) Book Val. Com. Sh.
1957—	9.54	3.17	1.32	4.50	2.33	8.17	2.39	5.78	3.4-1	Nil	15.75
1956—	8.67	2.35	4.86	2.66	1.77	9.29	3.01	6.28	3.1-1	Nil	15.83
1955—	7.87	2.17	3.62	3.30	1.42	8.41	2.63	5.78	3.2-1	0.04	14.99
1954—	8.20	1.26	4.29	3.25	1.02	8.58	3.04	5.55	2.8-1	0.20	14.61
1953—	7.54	2.82	2.70	5.51	1.63	10.03	4.91	5.12	2.0-1	0.32	14.05
1952—	6.57	2.39	2.48	5.29	1.60	9.66	5.02	4.64	1.9-1	0.48	12.70
1951—	4.77	1.36	2.07	5.27	0.91	8.42	3.85	4.57	2.2-1	Nil	11.66
1950—	4.00	——	3.68	3.19	1.71	8.80	4.07	4.74	2.2-1	Nil	10.89
1949—	3.45	——	3.32	1.47	0.93	4.88	1.33	3.55	3.7-1	Nil	9.00
1948—	3.45	——	1.70	2.23	0.12	4.05	1.51	2.53	2.7-1	Nil	7.66

[1] Yrs. end. Feb. 28 of follow. cal. yr. bef. 1954. [2] 10 mos. [3] Adj. for 2-for-1 split in 1951 & 1948. [4] Consol. aft. 1951. [5] As reported to SEC.

Fundamental Position

Lionel Corporation is the largest manufacturer in the United States of model electric trains and accessories. It also makes other electric and mechanical toys, and construction and chemistry sets.

Through Airex Corp., and Airex Manufacturing Co., Inc., wholly owned subsidiaries, company also manufactures fishing tackle, including Bache Brown Spinning Reels and distributes other reels, rods, lines and lures. (Airex accounted for an estimated 20% of earnings in 1955). Linex Corp., another wholly owned subsidiary, manufactures and sells stereo cameras in complete sets, including camera case, battery viewer and color film.

Defense production includes combination headsets and microphones.

Finished products are fabricated practically in their entirety in the company's own plant from raw materials such as sheet steel, copper, tin and zinc alloys. Only minor items are purchased from outside sources. The company-owned manufacturing plant, containing 427,000 square feet, is located at Irvington-Hillside, N. J.

Products are distributed through electrical, hardware, sporting goods and toy jobbers, and are also sold direct to department stores and dealers. Sales offices are located in New York and Chicago. Export business is handled through Lionel-Essex International Corp. 50% owned.

Employees: 1,625. Shareholders: 2,912.

Earnings-Dividends

Following defense contract terminations and plant reconversion in 1945-6, sales trended upward through 1953-4. Subsequent results have been substantially lower. Earnings have eroded irregularly since the peak in 1950-1.

Dividends averaged 63% of earnings in the five years through 1957. Payments were omitted at the close of 1958.

Finances

Post-war operations have been financed from retained earnings. The cash position was weakened during 1957 by a marked buildup of inventories and large capital expenditures.

CAPITALIZATION

LONG TERM DEBT: None.

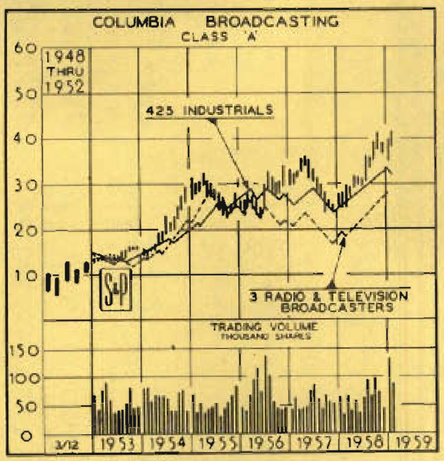
COMMON STOCK: 720,000 shares ($2.50 par); 25.4% owned by the Cowen family.

Incorporated in N. Y. in 1918. **Office**—15 East 26th St., NYC. **Pres**—L. Cowen. **Secy**—C. Y. Giaimo. **Treas**—J. L. Bonanno. **Dirs**—J. L. Cowen (Chrm.), J. L. Bonanno, J. L. Busey, L. Cowen, R. F. Duke, C. V. Giaimo, H. W. Marache, P. H. Marfuggi, B. Relin. **Transfer Agent**—Bankers Trust Co., NYC. **Registrar**—Chase Manhattan Bank, NYC.

Columbia Broadcasting

Stock—	Approx. Price	Dividend	Yield
COMMON	38⅞	[2]$1.20	[2]3.1%

RECOMMENDATION: Columbia Broadcasting operates the largest and most successful television network and chain of owned stations. The company is also a leader in radio broadcasting and the production of phonograph records. Although competition is quite keen, the earnings potential over the next few years is enhanced by the recent acquisition of a Philadelphia TV station and by the rising trend of advertising revenues for this medium. We would retain commitments.



NET REVENUES & SALES (Million $)

[4]Quarter:	1958	1957	1956	1955	1954
March	103.3	95.9	88.4	77.8	67.9
June........	98.1	90.9	85.9	72.2	63.5
Sept.	99.3	88.5	82.1	75.8	66.2
Dec.	[5]111.1	110.1	98.4	90.8	82.7

In the 40 weeks ended October 4, 1958, sales advanced 9.3% over those of the 39 weeks ended September 28, 1957. A smaller rise in operating expenses, lower depreciation charges and improved miscellaneous income extended the gain in pretax profits to 20%. After taxes at 54.4%, against 53.9%, final net was up 18.9%. The smaller rise in share earnings, to $2.10 from $1.82 (based on average shares outstanding in each period), reflected the increased amount of stock outstanding in the 1958 period.

According to the company's official estimate, sales in the 53 weeks ended January 3, 1959, rose 6.8% above those in the 52 weeks ended December 28, 1957. Net income rose 9.9% to a new peak for the eighth consecutive year.

[3]COMMON SHARE EARNINGS ($)

[4]Quarter:	1958	1957	1956	1955	1954	1953
March	0.83	0.77	0.60	0.53	0.41	0.33
June........	0.76	0.56	0.11	0.33	0.33	0.34
Sept.	0.51	0.48	0.54	0.33	0.30	0.23
Dec.	[5]1.00	1.05	0.90	0.64	0.51	0.35

PROSPECTS

Near Term—Continued moderate year-to-year revenue gains are anticipated in coming months. Income from the company's owned television stations will be bolstered by inclusion of WCAU-TV, Philadelphia (acquired in July, 1958) and increasing profitability of the St. Louis station (which commenced operation under CBS ownership on February 28, 1958). Operations of the television network should benefit from the recovery in promotional outlays by advertisers.

The company expects that the recent realignment of operations will permit improved results for the radio network, which has been losing money for several years. Despite the pressure of rising costs, earnings in the period ahead should compare favorably with year-earlier levels. Profits in 1958 were $3.10 a share (preliminary). Company has raised its quarterly dividend to $0.30 from $0.25; a 3% stock extra was paid January 16, 1959.

Long Term—Expansion of its television coverage indicates a substantial profits potential, although the rate of growth may be slower.

RECENT DEVELOPMENTS

Effective March 31, 1959, company will terminate operation of UHF television station WXIX in Milwaukee, Wis., and affiliate with VHF station WITI-TV (owned and operated by the Storer Broadcasting Co.) in the same city. Company stated that the move was necessitated by the inability of the UHF station to compete successfully against Milwaukee's

DIVIDEND DATA

Under the loan agreement, $24,974,231 of earned surplus at December 28, 1957, was available for dividends, which in the past 12 months were:

Amt. of Divd. $	Date Decl.	Ex-divd. Date	Stock of Record	Payment Date
0.25...	May 14	May 26	May 29	Jun. 13'58
0.25...	Aug. 13	Aug. 26	Aug. 29	Sep. 12'58
0.25...	Nov. 12	Nov. 18	Nov. 21	Dec. 12'58
3% Stk.	Nov. 12	Dec. 16	Dec. 19	Jan. 16'59
0.30...	Feb. 11	Feb. 24	Feb. 27	Mar. 13'59

[1]Listed N.Y.S.E. & Pacific Coast S.E. & traded on Boston, Detroit, & Phila.-Balt. S.E.s. [2]Indicated rate, plus 3% in stk. on Jan. 16, 1959. [3]Combined A & B shs. in 1958 & prior yrs., adj. for 3-for-1 stk. split in May, 195.5 & 2% stk. div. in Dec., 1954. [4]Approximate. [5]Preliminary.

INCOME STATISTICS (Million $) AND PER SHARE ($) DATA

Year Ended Dec. 31	[1]Net Revs.	% Oper. Inc. of Revs.	Oper. Income	Maint. & Repairs	Deprec. & Amort.	Net Bef. Taxes	[2]Net Income	[5]Common Share ($) Data [2]Earns.	[4]Divs. Paid	[4]Price Range
1959	----	----	----	----	----	----	----	----	0.30	----
1958	[9]411.8	----	----	----	----	----	[9]24.40	[9]3.10	1.00	41½–24½
1957	385.4	14.1	54.49	4.50	6.44	48.59	22.19	2.82	1.00	36⅛–23½
1956	354.8	12.0	42.46	4.17	6.59	35.08	16.28	2.13	0.90	34½–22⅝
1955	316.6	11.4	36.16	4.01	6.53	29.90	13.40	1.79	0.77	32⅝–22¼
1954	280.3	10.1	28.24	3.99	5.25	23.21	11.41	1.56	0.62	28¾–13½
1953	237.0	10.7	25.45	2.64	3.97	21.39	8.89	1.24	0.60	16½–12½
1952	194.1	9.1	17.74	2.39	2.84	15.25	6.45	0.90	0.52	13⅛–10¾
1951	146.4	10.5	15.41	2.23	1.99	14.49	6.36	0.89	0.52	11½–6⅞
1950	88.0	12.5	11.02	----	1.51	9.56	4.11	0.78	0.52	13⅛–8⅜
1949	75.0	12.1	9.06	----	1.34	7.63	4.18	0.80	0.46	9½–5⅜
1948	70.1	12.2	8.56	----	1.10	8.14	5.04	0.97	0.65	10½–6⅝
1939	30.4	22.1	6.72	----	0.64	6.13	5.00	0.96	0.49	8¼–4⅝
1938	23.1	20.9	4.83	----	0.59	4.31	3.54	0.68	0.41	7¾–4⅛

PERTINENT BALANCE SHEET STATISTICS (Million $)

Dec. 31	Gross Prop.	[7]Capital Expend.	Cash Items	Receiv-ables	Current Assets	Current [3]Liabs.	Net Workg. Cap.	Cur. Ratio Assets to Liabs.	Long Term Debt	[5]($) Book Val. Com. Sh.
1957	88.21	5.80	46.0	66.7	160.88	67.88	93.00	2.4–1	55.13	12.03
1956	86.66	9.48	34.7	60.2	131.50	57.04	74.46	2.3–1	54.00	10.45
1955	79.68	5.83	32.5	48.5	117.37	51.53	65.84	2.2–1	54.53	9.21
1954	74.58	11.76	34.1	41.3	105.94	48.78	57.15	2.2–1	54.18	8.32
1953	62.97	11.82	21.2	33.5	73.32	42.28	31.04	1.7–1	41.41	6.55
1952	52.83	16.33	20.0	27.6	59.11	34.19	24.92	1.7–1	29.85	6.28
1951	38.28	[8]12.97	31.2	21.1	63.57	30.28	33.29	2.1–1	26.15	5.88
1950	25.95	----	11.2	14.3	27.88	14.43	13.44	1.9–1	6.31	5.68
1949	22.19	----	16.0	9.6	26.85	11.31	15.53	2.4–1	6.28	5.42
1948	21.13	----	9.1	9.6	21.88	11.53	10.35	1.9–1	1.34	5.21

[1]Less time disct. & agency commissions. [2]Excl. non-recur. cap. gain of $0.71 a sh. in 1954; after loss on sale of assets of $0.41 in 1956. [3]Aft. deduct. U. S. Treas. tax notes. [4]Class A in 1958 & prior years. [5]Combined A & B shares in 1957 & prior years; adj. for 3-for-1 stk. split in May, 1955 & 2% stk. div. paid Dec., 1954. [6]Plus 2% stk. in 1955-6, & 3% in 1957 & in 1958 (aft. yr. end.). [7]As reported to SEC. [8]Reflects merger of Hytron group. [9]Preliminary.

Fundamental Position

Columbia Broadcasting operates major radio and television networks and also manufactures phonograph records, radio and television parts, and color television equipment. Operations are decentralized, conducted through following divisions:

(1) CBS Radio, with a network of 201 stations, including seven owned in New York, Chicago, Los Angeles, Boston, Philadelphia, San Francisco and St. Louis.

(2) CBS Television, consisting of 232 affiliates at the end of 1957. Owned VHF stations are in New York, Chicago, Los Angeles, St. Louis and Philadelphia. Company will terminate operation of WXIX, its UHF outlet in Milwaukee, Wisconsin, on March 31.

(3) Columbia Records, one of the leading producers of phonograph records and transcription, with facilities in New York, Bridgeport, Terre Haute and Los Angeles.

(4) CBS-Hytron, produces receiving, transmitting, television and special purpose tubes, with several plants in Massachusetts. In mid-December, 1958, company announced that this division henceforth would handle the manufacturing and marketing of the CBS line of phonographs. Substantial expansion of these activities, formerly carried on by the Columbia Records Division, is planned.

(5) CBS-Columbia produces closed circuit TV and electronic equipment and color television microscopes and cameras. Set manufacturing was stopped in July, 1956.

(6) CBS Laboratories, with activities including research and development work for operating units and for military projects.

(7) CBS International, handling export sales.

Employees: 13,690. Shareholders: 17,900.

Earnings-Dividends

Revenues have reached a new peak annually since 1949, largely reflecting growth of television activities. Narrower operating margins and heavy tax liability held profits relatively steady until 1953-54. Elimination of losses from the manufacture of radio and TV sets aided earnings in 1957.

Cash dividends, paid since 1931 averaged 38% of net in the five years through 1958.

Finances

On December 22, 1958, stockholders approved a management proposal to change all shares of the Class A and Class B stock into an equal number of $2.50 par shares of a single class with non-cumulative voting.

CAPITALIZATION

LONG TERM DEBT: $55,132,942.

COMMON STOCK: 7,881,493 shares ($2.50 par).

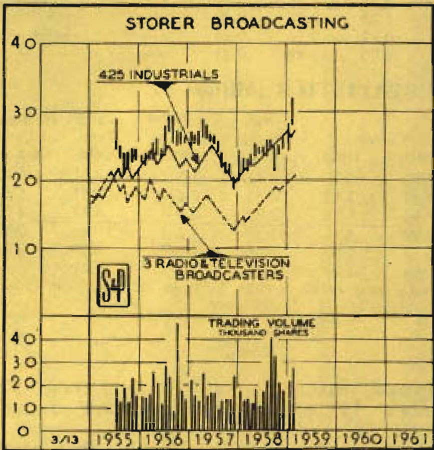
Incorporated in N. Y. in 1927. **Office**—485 Madison Ave., NYC 22. **Pres**—F. Stanton. **Secy**—J. F. Brauner. **Treas**—S. R. Dean. **Dirs**—W. S. Paley (Chrmn.), H. C. Bonfig, A. L. Chapman, R. F. Colin, A. H. Hayes, J. A. W. Iglehart, M. S. Jones, L. Levy, G. Lieberson, R. A. Lovett, M. C. McIntosh, S. Paley, F. Stanton. **Transfer Agent**—New York Trust Co., NYC. **Registrar**—Chemical Corn Exchange Bank, NYC.

SBK[1]

Storer Broadcasting

Stock—	Approx. Price	Dividend	Yield
COMMON	32¾	[2]$1.80	[2]5.5%

RECOMMENDATION: Storer is one of the largest independent broadcasting companies in the United States, with five VHF television and seven radio stations in fairly large metropolitan centers. Since federal regulations limit station ownership, the company's aim is to shift its operations into larger population centers as such opportunities arise, subject of course, to FCC regulations and policies. The shares can therefore be held for the possibilities in station upgrading.



[3][4]SHARE EARNINGS ($)

Quarter:	1958	1957	1956	1955	1954
March	0.30	0.52	0.59	0.36	0.35
June	0.40	1.27	0.56	0.41	0.36
Sept.	[5]d0.59	0.33	0.43	0.41	0.32
Dec.	[6]0.57	0.46	0.65	0.55	0.39

Pretax earnings in the nine months ended September 30, 1958, declined 21.8% from those of the similar year-earlier period. After taxes at 52.2% down slightly from 52.6%, net income before non-recurring items fell 21%. A non-recurring loss of $2.3 million (equal to $0.93 a share) was incurred in the September quarter, reflecting the complete write off of abandonment expenses on television station WVUE in Wilmington, Delaware. After this charge, profits in the first nine months of 1958 were $0.11 a share. In the comparable period a year before, share earnings were $2.12, including a capital gain of $2.0 million ($0.79 a share) on the sale of the Birmingham, Alabama, stations.

According to the preliminary report, net income for all of 1958 fell 73.8% below that of the prior year. Results for the two years were after the non-recurring items detailed above.

PROSPECTS

Near Term—Aided by inclusion of station WITI-TV, Milwaukee (acquired in December, 1958), operating revenues in coming months should exceed those recorded a year before. Results also should benefit importantly from the pick-up in promotional expenditures by advertisers.

Abandonment of the unprofitable Wilmington television station should permit margins to widen significantly. As a result, the sharp year-to-year earnings recovery that began in the fourth quarter of 1958 is expected to extend well into 1959. Full-year profits should be substantially above the $0.68 a share (preliminary) reported in 1958, which was after a non-recurring loss equal to $0.93 a share on the complete write off of the Wilmington station. Dividends should continue at $0.45 quarterly.

Long Term—Present regulations of the Federal Communications Commission limit ownership to seven television (5 VHF and 2 UHF) stations and also seven radio stations. Switching to outlets in larger marketing areas affords the major opportunity for profits growth.

RECENT DEVELOPMENTS

In December, 1958, company completed its disposal of TV station WVUE, Wilmington, Del., and acquired station WITI-TV in Milwaukee, Wis. Purchase price of the Milwaukee station was approximately $4.5 million, financed entirely out of current funds. On April 1, 1959, WITI-TV will begin carrying programs offered by the CBS Television Network.

DIVIDEND DATA

Some $3,590,000 of earned surplus was available for dividends at the end of 1956. Payments in the past 12 months were:

Amt. of Divd. $	Date Decl.	Ex-divd. Date	Stock of Record	Payment Date
0.45....	May 6	May 26	May 29	Jun. 13'58
0.45....	Aug. 9	Aug. 26	Aug. 29	Sep. 15'58
0.45....	Oct. 27	Nov. 24	Nov. 28	Dec. 15'58
0.45....	Feb. 3	Feb. 24	Feb. 27	Mar. 16'59

[1]Listed N.Y.S.E. [2]Indicated rate. [3]Combined class B and common, and adjusted for 2-for-1 split in 1955. [4]Includes capital gains. [5]After loss on abandonment of broadcasting facilities of $0.93 a share. [6]Preliminary. d Deficit.

INCOME STATISTICS (Million $) AND PER SHARE ($) DATA

Year Ended Dec. 31	Oper. Revs.	% Oper. Inc. of Revs.	Oper. Inc.	Maint. & Repairs	Depr. & Amort.	Net Bef. Taxes	[2]Net Inc.	[1]Common Share ($) Data: Comb. Earns.	[3]Divs. Paid	Price Range
1959	—	—	—	—	—	—	—	—	0.45	—
1958	—	—	—	—	—	—	—	[4]0.68	1.80	26⅜-20
1957	26.21	4.29	11.24	0.13	1.74	9.32	6.40	2.58	1.80	29¼-18¾
1956	28.31	48.1	13.63	0.13	1.78	11.45	5.52	2.23	1.75	29½-22⅛
1955	24.05	46.4	11.15	0.08	1.36	8.79	4.33	1.73	1.37½	29⅛-19¼
1954	17.74	45.2	8.03	0.07	0.94	7.11	3.68	1.62	0.81¼	22 - 7⅜
1953	14.90	41.2	6.14	0.05	0.55	6.16	2.19	0.94	0.12½	7⅜- 7
1952	11.48	40.4	4.64	0.06	0.47	3.96	1.59	0.69	—	—
1951	9.56	39.1	3.74	0.06	0.38	3.47	1.39	0.60	—	—
1950	6.66	35.0	2.39	0.04	0.34	1.90	0.93	0.39	—	—
1949	4.75	—	—	—	—	0.89	0.54	0.22	—	—
1948	3.90	—	—	—	—	0.80	0.48	0.21	—	—

PERTINENT BALANCE SHEET STATISTICS (Million $)

Dec. 31	Gross Prop.	Capital Expend.	Cash Items	Inven-tories	Receiv-ables	Current Assets	Current Liabs.	Net Workg. Cap.	Cur. Ratio Assets to Liabs.	Long Term Debt	[1]($) Book Val. Comb. Com. Sh.
1957	13.12	2.99	4.35	0.07	3.36	7.78	3.35	4.43	2.3-1	2.07	6.42
1956	14.33	1.70	4.18	0.07	3.26	7.51	3.13	4.38	2.4-1	3.61	5.63
1955	13.31	2.96	5.03	0.08	2.78	7.96	5.14	2.83	1.5-1	4.87	4.00
1954	11.06	5.11	5.48	0.37	2.36	8.28	6.71	1.57	1.2-1	10.45	0.13
1953	7.02	2.91	4.38	0.07	2.01	6.67	5.62	1.05	1.2-1	4.01	—
1952	5.60	0.74	4.47	0.05	1.34	6.06	3.27	2.78	1.9-1	2.67	—

[1]Adj. for 2-for-1 split in 1955 & recapital. in 1953. [2]Incl. capital gains of $0.03 in 1951, $0.10 in 1953, $0.29 in 1954, & $0.79 in 1957. [3]Cl. B. shs. pay. $0.06 quarterly; entire issue held by Storer family. [4]Preliminary.

Fundamental Position

Storer broadcasting, directly or through wholly owned subsidiaries, owns and operates five television stations, all VHF (Very High Frequency); seven AM (standard) radio stations; and seven FM (frequency modulation) radio stations which are operated in conjunction with AM stations. Television broadcasting accounted for some 82% of 1955 gross and radio 18%.

All three types of stations are located in Detroit (WJBK), Cleveland (WJW), Toledo (WSPD), and Atlanta (WAGA). AM and FM radio stations are operated in Wheeling, W. Va. (WWVA), Philadelphia (WIBG), and Miami (WGBS). In December, 1958, company disposed of TV station WVUE, Wilmington, Del., and acquired station WITI-TV in Milwaukee, Wis.

Four of the TV stations have basic network affiliations with CBS. At present WITI-TV is an independent operation, but effective April 1, 1959, it will become affiliated with the CBS Television Network. Programs of other networks also are carried. In 1955 (latest available figures), these affiliations produced about 25% of TV gross, with national spot advertising accounting for 42% and local 33%. Approximately 80% of TV programs are commercial and 20% sustaining (no revenues).

Three of the AM radio stations are affiliated with CBS, one with NBC and three stations are independent. Network affiliations in 1955 produced about 6% of radio gross, national spot 37%, and local 57%. About 75% of radio programs are commercial.

Miami Beach Sun Publishing Co. (wholly owned and unconsolidated) publishes a daily tabloid-size newspaper. Some 49.8% of the voting stock (Class B) of the Standard Tube Co., Detroit, producer of electric welded steel tubing, is owned.

Employees: 800. Shareholders: 5,200.

Earnings-Dividends

Expansion of gross and net in recent years reflects television activities. TV made no contribution to profits through 1949, but has been the major determinant of earnings since 1951.

The relatively high dividend payout on the common stock is offset by the small dividends on Class B shares. Thus, combined payments on both issues in the past five years have averaged 27% of available net.

Finances

In December, 1958, company completed the purchase of WITI-TV in Milwaukee, Wis. for $4,462,500. The acquisition was financed entirely out of current funds.

CAPITALIZATION

LONG TERM DEBT: $1,098,011.

CLASS B COMMON STOCK: 1,501,140 shares ($1 par); convertible into one common. Entire issue owned by Storer family.

COMMON STOCK: 973,610 shares ($1 par).

Incorporated in Ohio in 1927. **Office**—1177 Kane Concourse, Bay Harbor Island, Miami Beach, Fla. **Pres**—G. B. Storer. **Exec VP**—L. B. Wailes. **Secy**—J. E. McCoy. **Treas**—H. A. Steensen. **Dirs**—G. B. Storer (Chrmn), M. B. France, S. P. Kettler, C. V. McAdam, J. E. McCoy, W. E. Rine; J. H. Ryan, G. G. Storer, Jr., L. B. Wailes. **Transfer Agents**—National Bank of Detroit; Chase Manhattan Bank, N. Y. **Registrars**—Manufacturers National Bank, Detroit; Bankers Trust Co., N. Y.