

Harvey S. Firestone, Jr. Predicts Best Sales Year In History Of Company

Reviews Year At Annual Stockholders' Meeting

THE YEAR 1959 WILL BE THE BEST sales year in the history of the company. This prediction was made by Harvey S. Firestone, Jr., chairman and chief executive officer, at the annual meeting of stockholders of the company in Akron January 24.

He reported that sales for the fiscal year ended October 31 were \$1,061,590,801, the fifth time in the last six years that sales were more than one billion dollars.

"The strength of our company in 1959 is greater than ever," he told the stockholders.

"Our production facilities are equipped to turn out more and better products with greater economy and efficiency."

Stating that sales of replacement tires for the fiscal year set an all-time record for Firestone, he added:

"We anticipate increased sales of new passenger cars, trucks, tractors, and road-building equipment in 1959, which will enlarge the market for original equipment tires."

He revealed that during fiscal 1958, the company invested more than \$37 million for additions to and improvements of plants and equipment.

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AT THE STOCKHOLDERS' MEETING the nine members of the board of directors were re-elected. They are: Harvey S. Firestone, Jr., Lee R. Jackson, Raymond C. Firestone, James E. Trainer, John J. Shea, Harvey H. Hollinger, Leonard K. Firestone, Roger S. Firestone, and Joseph Thomas.

At a meeting of the board of directors which followed the stockholders' meeting, the following officers were re-elected: Harvey S. Firestone, Jr., chairman; Lee R. Jackson, vice chairman; Raymond C. Firestone, president; James E. Trainer, executive vice president; Harvey H. Hollinger, vice president; Joseph Thomas, vice president, secretary and general counsel; Harold D. Tompkins, vice president; Harold M. Taylor, vice president; John L. Cohill, vice president; Earl B. Hathaway, vice president; Joseph A. Meek, vice president; Louis J. Campbell, vice president; Elton H. Schulenberg, treasurer; Claude A. Pauley, comptroller; Elden H. Eaton, assistant treasurer; Henry S. Brainard, assistant secretary; Byron H. Larabee, assistant secretary; Laurence A. Frese, assistant comptroller; Robert P. Beasley, assistant comptroller; and Lee R. Shannon, assistant comptroller.

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AT THE BOARD MEETING, John J. Shea announced his retirement as vice president and chairman of the finance committee. Mr. Shea, an executive with 51 years' service with Firestone, has been an officer and director of the company for 37 years. He will continue as a member of the board of directors.

Mr. Shea joined Firestone in the accounting department in June, 1907. He became treasurer of the company and a member of the board in 1922.

He was elected vice president and treasurer in 1941, and vice president in charge of finance in 1948. He was named vice president and chairman of the finance committee in 1957.

The complete text of the address of Harvey S. Firestone, Jr., to stockholders at their meeting follows:

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ON BEHALF OF the Board of Directors, it is my pleasure to report to you the progress of The Firestone Tire & Rubber Company for the fiscal year ended October 31, 1958.

Net sales amounted to \$1,061,590,801 compared with \$1,158,884,304 in fiscal 1957. Sales of replacement tires for the year were the greatest in our history.

However, there was a decline in total sales caused largely by lower production in the automotive industry which reduced the demand for original equipment tires, rims, foam rubber cushions and other automotive products and, to a lesser degree, by reduced deliveries under defense contracts.

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NET INCOME amounted to \$53,751,650 equal to \$6.36 a share of Common Stock, compared with \$61,692,152 equal to \$7.49 per share of Common Stock in the previous year, both based on the average number of shares outstanding. However, fourth quarter net profit was the highest of any quarter in the history of our company.

Despite a general business decline throughout the country in the earlier months of 1958, last year was the fifth in the last six years in which sales amounted to more than one billion dollars.

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FOREIGN SUBSIDIARIES' profits of \$15,070,768 were lower than last year, principally due to the depreciation of certain foreign currencies. This also necessitated devaluation of assets of certain foreign subsidiaries, which resulted in a charge of \$5,412,978 to a reserve provided from income in prior years.

Federal, state and foreign taxes totaled \$130,039,948 of which income taxes were \$53,450,000; excise taxes \$61,158,715; social security taxes \$6,069,595 and other taxes \$9,361,638.

We retired \$4,550,000 of long-term debt and \$1,200,000 of Preferred Stock. Net working capital at the close of the year was \$359,961,160 compared with \$329,064,436 on October 31, 1957, a gain of \$30,896,724.

During the fiscal year, dividends of \$2.60 per share were paid on the Common Stock of the company, and an extra dividend in the form of a stock dividend of two per cent on the Common Stock was paid on October 31. Cash dividends on Common and Preferred Stock amounted to \$22,001,940. As a result of the stock dividend, \$1,053,050 was transferred from Income Invested in the Business to Capital Stock and \$16,448,641 to Additional Capital.



HARVEY S. FIRESTONE, JR., chairman and chief executive officer, gave his address to stockholders attending their annual meeting in Akron January 24. Facing the stockholders are the directors, all of whom were

re-elected. Left to right, John J. Shea, H. H. Hollinger, Raymond C. Firestone, Joseph Thomas, Harvey S. Firestone, Jr., Lee R. Jackson, James E. Trainer, Leonard K. Firestone and Roger S. Firestone.