

UNITED STATES GOVERNMENT

Memorandum

TO : Lyall E. Johnson, Chief, Licensing Branch
Division of Licensing and Regulation
DATE: JUL 14 1960

FROM : *Walker E. Campbell*
Walker E. Campbell
Assistant Controller for Accounting

SUBJECT: FINANCIAL ANALYSIS OF ENGELHARD INDUSTRIES, INC.

SYMBOL: FAc:CAL

This is with regard to the request of Engelhard Industries, Inc. for transfer of existing licenses SNM-98, SNM-185, and C4941 from Engelhard Industries, Inc., a New Jersey corporation, to a Delaware corporation of the same name.

We have reviewed the Certificate of Insurance covering all loss or damage of uranium owned by the AEC while in the custody of the insured, and the financial data contained in the Preliminary Prospectus of Engelhard Industries, Inc. dated May 26, 1960 submitted by the applicant to your office. Based upon the facts presented in the Certificate and the Prospectus, we are of the opinion that Engelhard Industries, Inc. (a Delaware corporation) is financially able to assume the financial responsibility for custody of the nuclear materials which it may possess under these licenses.

The corporation appears to be adequately insured against any reasonable loss or damage to the uranium of the AEC while in the care, custody and control of the corporation or while in transit. In addition, the following financial data taken from the Preliminary Prospectus reflect a sound financial position:

Calendar Year - Dollars in Millions

1959

Current Assets
Current liabilities
Current ratio

Working capital

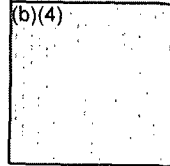
Fixed assets (net)
Long term debt
Ratio

(b)(4)

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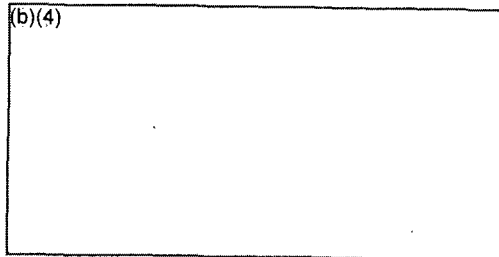
Calendar Year - Dollars in Millions1959

Capital
Total assets
Proprietary ratio
Paid in surplus

19571958

Net profit
Net sales
Profit percentage

Net profit
Interest charges
Times earned



The financial statements from which the above data have been extracted were prepared to present the financial position of the new Delaware corporation on a consolidated basis as if the corporation had been incorporated prior to December 31, 1959 and the transfer of assets, liabilities, etc. accomplished as of that date. The operating data presented cover only the operations applicable to the business and properties to be transferred to the new Delaware corporation.