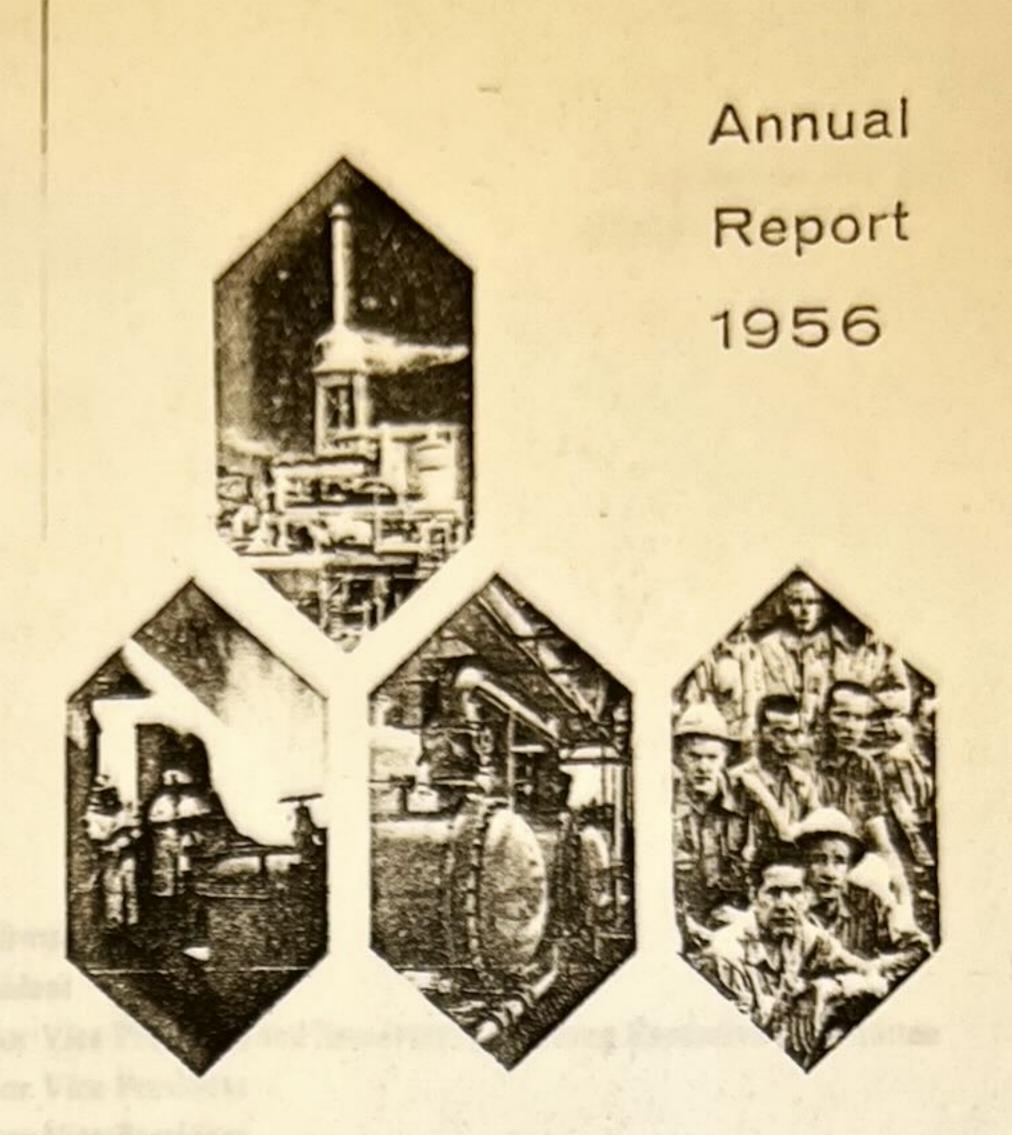
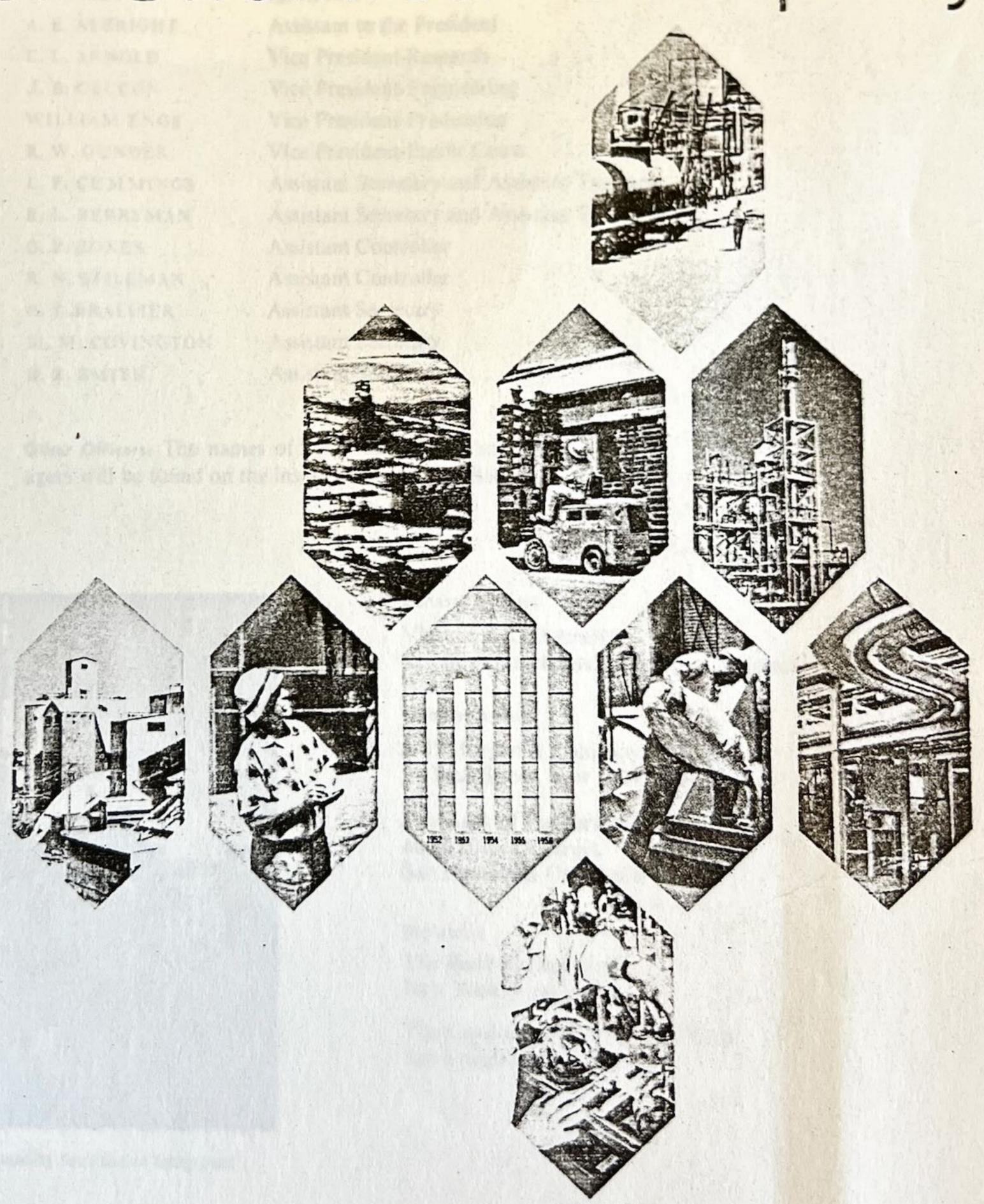
H. STAUFFER

STAUFFER CHEMICAL COMPANY
380 MADISON AVENUE
NEW YORK



Stauffer Chemical Company



REVIEW OF THE YEAR

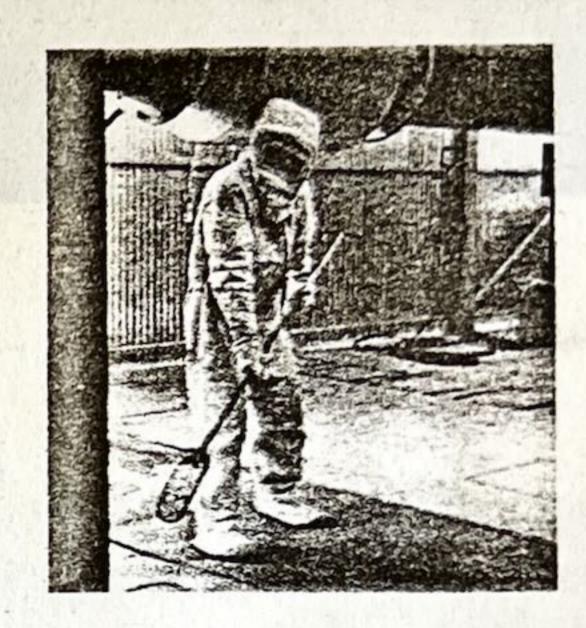
MERGER WITH WEST END CHEMICAL COMPANY

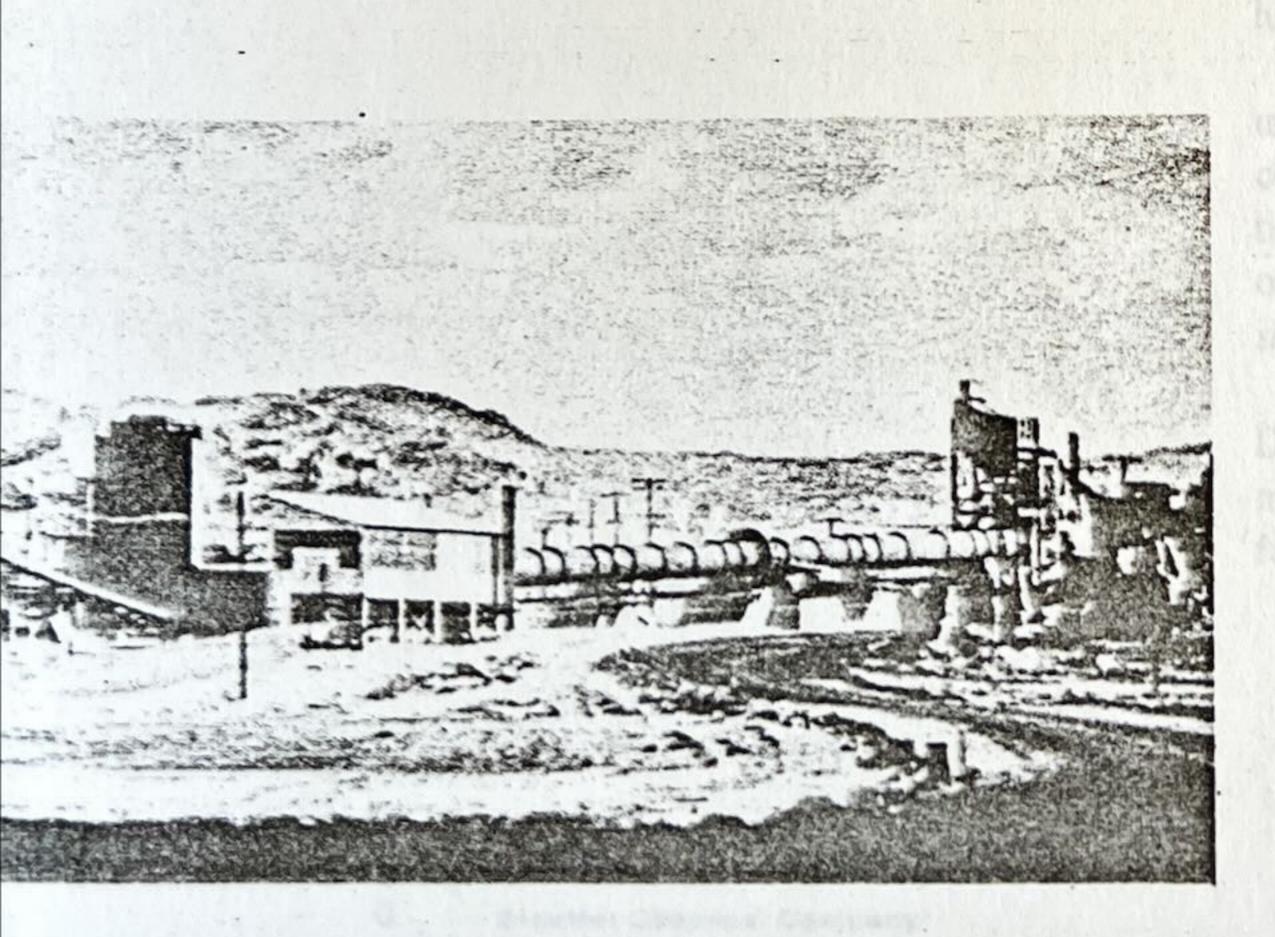
The merger between Stauffer Chemical Company and West End Chemical Company became effective on October 1, 1956. West End's operations are now being conducted as the "West End Chemical Company Division" of Stauffer Chemical Company.

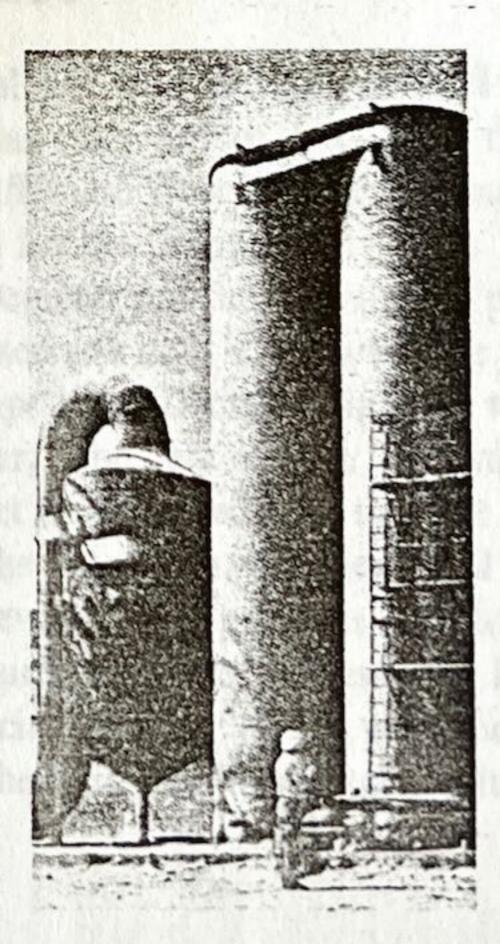
West End is one of the three producers of borax in the United States. Its other products are soda ash, sodium sulphate and lime. Of these chemicals, borax, soda ash and sodium sulphate are derived from the brine of Searles Lake, California. Its lime products are obtained from company-owned deposits near Searles Lake. West End's products are basic industrial chemicals, used in the manufacture of glass, ceramics, paper, detergents, and a large variety of other end products.

West End's soda ash and lime represent new additions to Stauffer's basic product line. West End's sodium sulphate is a substantial addition to Stauffer's own small production of this chemical, the demand for which has increased rapidly with the expansion of paper mills in the forest areas west of the Mississippi.

All financial figures in this report are adjusted to include both Stauffer and West End for 1956 and prior years.







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Construction of a new petrochemical facility at Louisville, Kentucky for the production of chloroform, methylene chloride and carbon tetrachloride is proceeding on schedule and should be completed in June. The Eastern Research Laboratory at Chauncey, New York was expanded to twice its former size to permit accelerated research on a number of promising new projects.

The West End Chemical Division completed a large new sodium sulphate unit, a new lime kiln and major improvements to its limestone quarry.

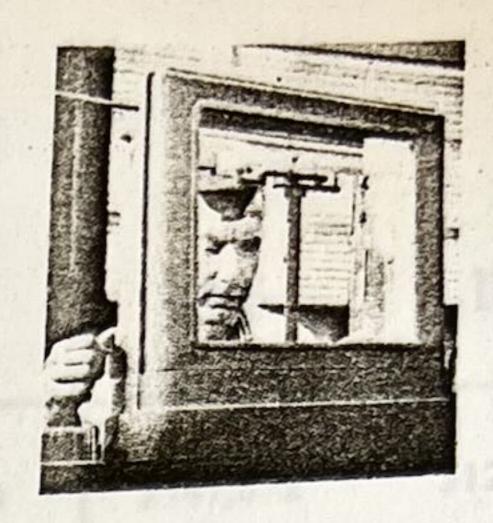
Further development work on the Bear Lake phosphate deposit has confirmed the presence of substantial reserves of high grade rock. A 1600 foot vertical tunnel or "raise" is nearing completion on this property.

At year's end the Company was owned by 7,700 stockholders, of whom about 2,500 were former holders of West End shares.

OUTLOOK FOR THE FUTURE

Economic forecasts to date have generally indicated a high level of business activity for 1957. On the basis of demand for the Company's products during the early weeks of this year and management forecasts of sales trends, costs and prices, results for 1957 should equal or exceed those for 1956. Price adjustments made late last year and early this year should relieve some of the pressure on profit margins. New research-developed products and new plants completed late last year and to be completed early in 1957 should contribute both to volume and to earnings.

For the longer term, the Company's expanding research program, its modern and well maintained plants, and its energetic employee group all provide a reasonable basis for confidence in the future.



Research facilities

