

Investments Owned by DIVIDEND SHARES on December 31, 1954

COMMON STOCKS†

	Shares Held	Approximate Percentage*		Shares Held	Approximate Percentage*
AGRICULTURAL MACHINERY			RAILROAD EQUIPMENT		
Allis-Chalmers Manufacturing Company	4,000	0.17%	American Brake Shoe Company	17,700	0.37%
Deere & Company	15,300	0.31%			
International Harvester Company	10,000	0.22%	RETAIL TRADE		
AUTOMOTIVE & ACCESSORY			Allied Stores Corporation	25,000	0.78%
General Motors Corporation	44,000	2.53%	Federated Department Stores, Inc.	30,000	0.99%
BANKS & FINANCE			First National Stores, Inc.	23,700	0.81%
Beneficial Loan Corporation	6,000	0.19%	Grant (W. T.) Company	12,000	0.26%
C. I. T. Financial Corporation	30,000	0.83%	Marshall Field & Company	36,000	0.71%
Chase National Bank of New York	21,000	0.75%	May Department Stores Company	16,700	0.36%
Commercial Credit Company	3,000	0.09%	Murphy (G. C.) Company	9,000	0.24%
Guaranty Trust Company of New York	11,000	0.49%	Sears, Roebuck & Company	44,000	2.00%
Manufacturers Trust Company	11,000	0.52%	Western Auto Supply Company	21,000	0.64%
BUILDING			RUBBER		
Armstrong Cork Company	15,000	0.79%	Firestone Tire & Rubber Company	25,000	1.63%
General Portland Cement Company	8,700	0.44%	STEEL		
Sherwin-Williams Company	6,000	0.37%	Bethlehem Steel Corporation	25,000	1.60%
CHEMICALS & DRUGS			Harbison-Walker Refractories Company	19,400	0.46%
Air Reduction Company, Inc.	30,000	0.58%	Inland Steel Company	15,000	0.66%
American Cyanamid Company	50,000	1.61%	United States Steel Corporation	42,000	1.82%
Commercial Solvents Corporation	25,000	0.32%	TEXTILES		
du Pont (E. I.) de Nemours & Company	25,000	2.46%	American Viscose Corporation	15,000	0.40%
Eastman Kodak Company	20,000	0.85%	Burlington Mills Corporation	45,000	0.45%
Monsanto Chemical Company	1,400	0.09%	Stevens (J. P.) & Company, Inc.	40,000	0.67%
Pfizer (Chas.) & Company, Inc.	11,000	0.26%	TOBACCO		
Texas Gulf Sulphur Company	7,700	0.57%	American Tobacco Company, Inc.	9,000	0.35%
Union Carbide & Carbon Corporation	36,000	1.82%	Philip Morris & Company, Ltd., Inc.	30,500	0.72%
ELECTRICAL & ELECTRONICS			Reynolds (R. J.) Tobacco Company, Class B	40,000	1.00%
Philco Corporation	21,000	0.47%	UTILITIES		
Radio Corporation of America	40,000	0.91%	American Gas & Electric Company	78,000	1.96%
Sylvania Electric Products, Inc.	13,000	0.36%	American Telephone & Telegraph Company	2,500	0.26%
Westinghouse Electric Corporation	20,000	0.95%	Cleveland Electric Illuminating Company	30,000	1.20%
FOODS & BEVERAGES			Commonwealth Edison Company	25,000	0.67%
Coca-Cola Company	5,000	0.33%	Consolidated Edison Company of New York, Inc.	30,000	0.82%
GLASS			Consumers Power Company	23,000	0.64%
Owens-Illinois Glass Company	13,400	0.82%	Duquesne Light Company	10,000	0.20%
INDUSTRIAL MACHINERY & EQUIPMENT			Gulf States Utilities Company	7,800	0.15%
Blaw-Knox Company	8,257 $\frac{1}{2}$	0.13%	Kansas City Power & Light Company	20,000	0.47%
NATURAL GAS			Louisville Gas & Electric Company	21,100	0.56%
American Natural Gas Company	50,000	1.42%	Middle South Utilities, Inc.	8,000	0.14%
El Paso Natural Gas Company	50,000	1.22%	Montana Power Company	35,600	0.81%
El Paso Natural Gas Company, \$4.40 Pfd.	2,500	0.16%	North American Company	30,000	0.49%
United Gas Corporation	10,000	0.20%	Northern Indiana Public Service Company	44,000	0.83%
NON-FERROUS METALS			Pacific Gas & Electric Company	30,000	0.81%
Aluminum Company of America	3,000	0.16%	Peoples Gas Light & Coke Company	5,000	0.46%
Climax Molybdenum Company	11,000	0.37%	Puget Sound Power & Light Company	6,000	0.12%
International Nickel Company of Canada, Ltd.	25,000	0.86%	Rochester Gas & Electric Corporation	21,600	0.57%
Phelps Dodge Corporation	15,000	0.46%	Southern California Edison Company	25,000	0.68%
OFFICE EQUIPMENT			Southern Company	7,500	0.08%
International Business Machines Corporation	6,100	1.30%	Virginia Electric & Power Company	28,000	0.54%
PAPER & PAPER PRODUCTS			West Penn Electric Company	32,000	0.92%
Crown Zellerbach Corporation	18,000	0.67%	Wisconsin Electric Power Company	55,000	1.03%
International Paper Company	65,000	3.39%	MISCELLANEOUS		
Union Bag & Paper Corporation	24,300	1.01%	Colgate-Palmolive Company	12,000	0.44%
PETROLEUM			TOTAL COMMON STOCKS		
Continental Oil Company	22,000	0.97%			82.21%
Gulf Oil Corporation	42,300	1.64%	BONDS		
Shell Oil Company	4,000	0.15%			
Standard Oil Company (California)	61,000	2.76%			
Standard Oil Company (Indiana)	44,000	1.24%			
Standard Oil Company (New Jersey)	43,000	2.79%			
Texas Company	44,000	2.22%			
Union Oil Company of California	16,000	0.53%			
RAILROADS					
Atchison, Topeka & Santa Fe Railway Company	14,400	1.10%			
Chesapeake & Ohio Railway Company	17,000	0.46%			
Chicago, Rock Island & Pacific Railroad Company	26,000	1.42%			
Illinois Central Railroad Company	20,000	0.73%			
Kansas City Southern Railway Company	16,000	0.70%			
New York, Chicago & St. Louis Railroad Company	37,400	1.16%			
Seaboard Air Line Railroad Company	8,100	0.36%			
Southern Pacific Company	24,000	0.76%			

* Approximate percentage of total net assets including securities at closing market quotations as of December 31, 1954.
 † Unless otherwise indicated.

DIVERSIFICATION

The distribution of risk among the securities of over one hundred of America's leading corporations affords a high degree of diversification.

The law of averages is as fundamental as the law of gravity. The principle of diversity in investment is an application of the law of averages and moderates the market risks inherently involved in the investment.

If a man owns ten good securities, he stands less chance of loss than if he owns one. One hundred are safer than ten.

PRICE

The Company's shares are offered for sale at prices based on their current net asset value, plus a charge for costs involved and profit.

There is, therefore, a sales charge to the investor included in the offering price of the shares of Dividend Shares. For details thereof and other material information, see the prospectus.

Only a very wealthy man indeed could afford to buy 100 shares each of the many stocks in the Dividend Shares investment portfolio — and thereby obtain diversity comparable to that obtainable by buying Dividend Shares direct.

To buy and sell one share each of the stocks owned by the Company (because of Stock Exchange commissions, odd lot differentials, taxes, etc.) would cost an investor more than to buy and resell an equivalent dollar amount of Dividend Shares.

DISTRIBUTIONS

The Company has paid over \$52,000,000 in dividends from investment income and over \$32,000,000 from profits on sales of securities.

1954 dividend payments from investment income were 8 cents per share. This year the Company also paid 7 cents per share from net securities profits.

MARKET

The Company's shares are quoted in most metropolitan newspapers. Upon the request of any shareholder the Company shall, out of surplus, purchase its shares at their net asset value, which may be more or less than the investor's cost depending upon the market value of the assets at the time.

ACCUMULATION

Many investors are building their holdings in Dividend Shares by accumulating shares at regular intervals under the Dividend Thrift Plan.

Others utilize the Dividend Reinvestment Plan. This plan offers stockholders owning a requisite number of shares the opportunity of using quarterly dividends for the purchase of additional shares.

INFORMATION

Dividend checks each quarter, in varying amounts per share, are accompanied by lists of securities owned, reports of investment changes during the preceding quarter, and other facts of interest to stockholders. Audited financial statements are forwarded to stockholders semi-annually.

STOCKHOLDERS

Stockholders of Dividend Shares may be found in every State of the Union, and in many foreign countries. Shares are owned by over 70,000 investors, including colleges, insurance companies, churches, banks as trustees, employee funds — hundreds of these and other institutions.

INDUSTRIAL AMERICA

America is the greatest industrial organization the world has ever known. An interest in America's greatest industries may be purchased through the medium of Dividend Shares. Its shares are truly shares in America.

Company Name	Shares	Price	Market Value
American Fuel & Gas Company	50,000	1.42	71,000
El Paso Natural Gas Company	30,000	1.22	36,600
El Paso Natural Gas Company 3 1/2% Pfd.	2,500	0.16	400
United Gas Corporation	10,000	0.20	2,000
TOTAL	92,500	0.44	40,600

Company Name	Shares	Price	Market Value
United States Steel Corporation	10,000	0.37	3,700
International Nickel Company of Canada	1,000	0.46	460
Phelps Dodge Corporation	1,000	0.46	460
TOTAL	12,000	0.44	5,620

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Company Name	Shares	Price	Market Value
Chicago & North Western Railway	10,000	0.36	3,600
Chicago, Rock Island & Pacific Railway	10,000	0.36	3,600
TOTAL	20,000	0.36	7,200

January, 1955 D-80 (Revised)

The information contained herein is supplemental to the offering prospectus for Dividend Shares, Inc. and its use is authorized only in case of a concurrent or prior delivery of the prospectus current at the time of such use.