

50

Fun Facts About WD-40 Company

01. "Water Displacement on the Fortieth Try" is the basis for the name WD-40.

02. The original WD-40 formula was developed to prevent rust and corrosion on the Atlas Missile.

03. WD-40 Company was originally called The Rocket Chemical Company.

04. On Sept. 25, 2003, WD-40's market capitalization broke \$500,000,000.

05. WD-40 started retail distribution in the U.S. in sporting goods stores.

06. The San Onofre failure of 1983, blamed on faulty maintenance, could have been avoided by squirting WD-40 on the breakers of the billion dollar nuclear power plant.

07. Only a handful of people in the world know the WD-40 formula.

08. WD-40's IPO took place on Jan. 16, 1973, with 300,000 shares.

09. WD-40 has had only 9 price increases in its 50 year history.

10. WD-40 is used in more than 160 countries and the cans are produced in many different languages.

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WD-40 Company 2003 Annual Report

50 Points to Remember

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2003 marks WD-40 Company's 50th Anniversary, a rare milestone for any business. We'd like to commemorate this special occasion by celebrating fifty key points in the Company's history.

01 The Rocket Chemical Company

In 1903, the Wright Brothers ushered in a new century of exploration with their invention of the heavier-than-air flying machine. Aviation inspired travel and transformed warfare. Space was the next frontier, and the research of Konstantin Tsiolkovsky in Russia, Robert Goddard in the United States and Hermann Oberth in Germany, whose efforts were fueled by the rivalries of the Cold War, brought this new frontier within man's reach. On October 4, 1957, the Soviet Union put the world's first man-made satellite, Sputnik I, into Earth's orbit and ushered in the modern space age.

Amid the growing tension between the superpowers, the U.S. Government and American industry worked together to develop technology for commercial and defense purposes. The Rocket Chemical Company was one of many businesses that contributed to this effort during the early 1950s. Based in San Diego, the Company experimented with several chemical compounds that could be used to make rockets more reliable.

At that time, the first major family of launch vehicles, named Atlas, was being developed by the U.S. Air Force. The first successful flight of an Atlas missile occurred in December of 1957. Not long after that, the well-proven Atlas design was brought into NASA service. Part of the success of the Atlas design can be attributed to an amazing product that was developed by the Rocket Chemical Company for the purpose of displacing moisture and preventing rust and corrosion. The compound was so successful that it was designed into specifications for all Atlas missiles, which remained in operation through the 1990s.

02 The Original Formula

The name "WD-40" stands for "Water Displacement on the Fortieth Try." That is the name straight out of the lab book that was used by the chemist who discovered the compound back in 1953. Norm Larsen was attempting to concoct a formula that could prevent rust and corrosion – a task that is accomplished by displacing water. Norm's persistence paid off when he perfected the formula on his fortieth try.

Norm and the other two employees of the Rocket Chemical Company were working on a line of industrial rust-prevention solvents and degreasers for use in the aerospace industry when they created the secret formula of WD-40. In developing the WD-40 compound, the technicians of the Rocket Chemical Company actually invented the world's first multi-purpose problem solver. They created a solution that is a cleaning agent, lubricant, solvent, rust inhibitor and penetrant, a true jack-of-all-trades.

The formula worked so well, in fact, that the employees started sneaking WD-40 out of the plant to use on their own. They had discovered a variety of other applications for the product, including protecting tools, lubricating machines and loosening nuts and bolts.

A few years later, Norm Larsen experimented with putting WD-40 into aerosol cans, reasoning that consumers would want to use the product at home, just as his employees were doing. The product made its first appearance on store shelves in San Diego in 1958.



What was created in a small lab in San Diego for use on the Atlas missile has become one of the world's favorite products. It's WD-40, and it's now used in eight out of ten U.S. households, sold in 160 countries and used by millions of people every day. The historical facts in this book are based upon decades of oral tradition of WD-40 employees and are true to the best of our knowledge.

03 The Early Years

In no time, the Rocket Chemical Company's star product became a sensation. By the following year, the Company had nearly doubled in size, growing to seven people, who sold an average of 45 cases per day from the trunks of their cars to hardware and sporting goods stores in the San Diego area.

In 1961, the first full truckload order for WD-40 was filled when employees came in on a Saturday and worked overtime to produce additional concentrate to meet the disaster needs of the victims of hurricane Carla along the U.S. Gulf Coast. Florida residents relied on the product to recondition vehicles and equipment that had been damaged by flood water and rain. The offshore oil industry in Texas also embraced the product to spray onto the motors in their fleets to get them up and running after being waterlogged.

WD-40 made the history books again in 1964, when NASA used the compound as a protective coating on the *Friendship VII*, the space vehicle in which astronaut John Glenn circled the Earth.

During the Vietnam War, the care packages that were sent to American troops often included cans of WD-40. "WD-40 saved my life," wrote one G.I. gratefully. "If I hadn't sprayed it on to lubricate my gun, I'd be dead now."

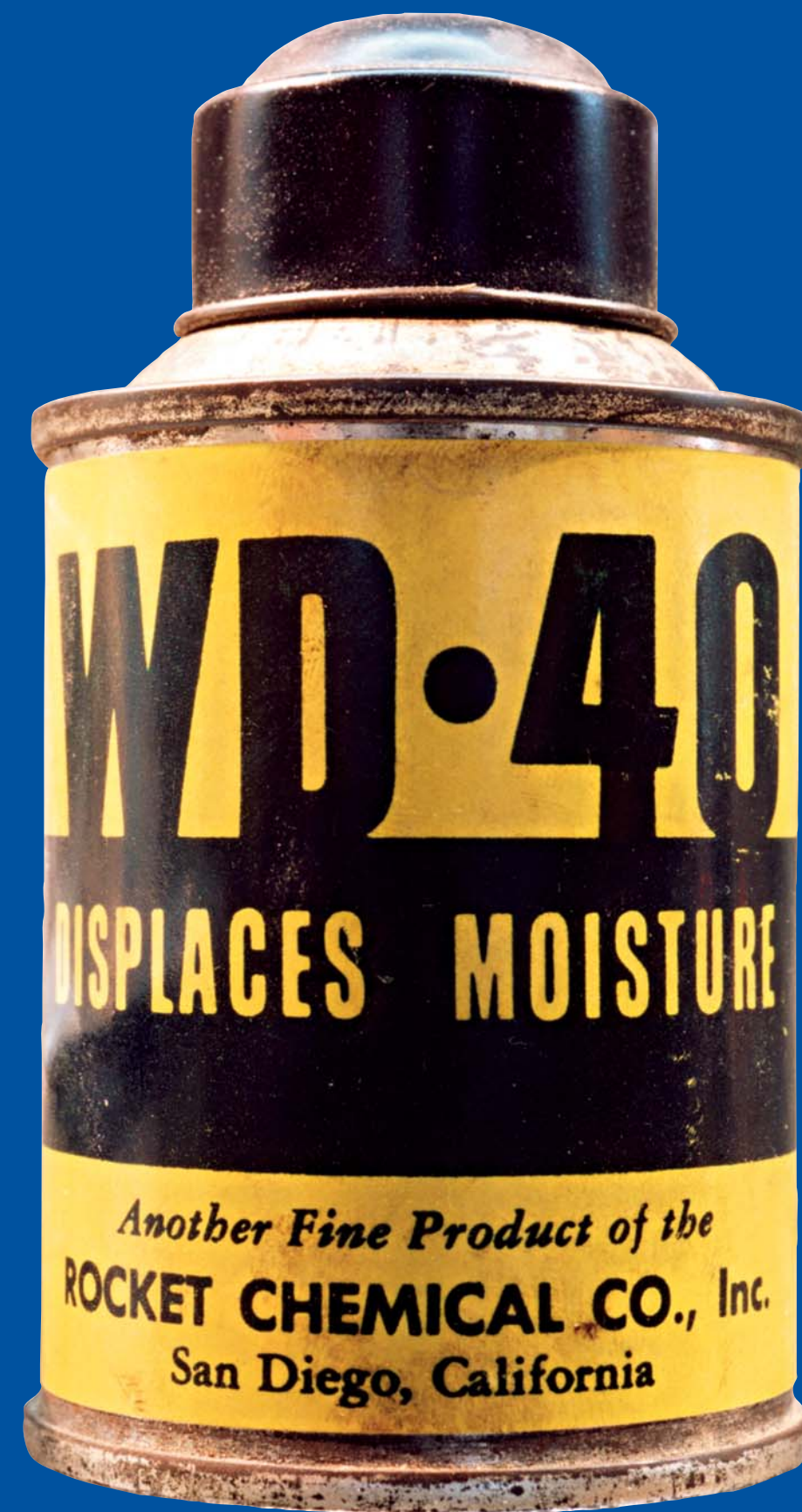
In 1969, the Rocket Chemical Company was renamed WD-40 Company after its only product, and product sales broke the \$1 million mark. And in 1973, the corporation went public, still with only one brand as the source of its success. But by then the WD-40 brand had already become an American icon. Known as "the can with a thousand uses," WD-40 actually has at least two thousand documented applications. And new ones are being discovered all the time.

Over the years, our Company has received thousands of letters from customers describing how this truly one-of-a-kind product has saved their equipment, their marriage or even their life. One fan, John Bates of Shawnee, Missouri, wrote how the product restored a snow blower that had remained idle for several years after being damaged in a flood. "Within forty-five minutes I had a functional, running snow blower... an eight-year-old partial can of WD-40 saved me \$700," Bates wrote.

One of the most interesting and exotic testimonials came from a bus driver in Asia who used the product to successfully remove a python snake that had coiled itself around the undercarriage of his bus. Another involves police officers that used WD-40 to remove a burglar trapped in an air conditioning vent.

Given such universal appeal and avid customer loyalty, it's not surprising that one million cans a week of the product are produced in the United States alone. What may come as a surprise, however, is that the successful formula that makes the product so versatile remains a closely guarded secret to this day – only a few people in the world know the actual ingredients.

WD-40 concentrate is mixed in the United Kingdom and Australia. Additionally, the product is still mixed at the corporate headquarters in San Diego by a single "brewmaster." His name is Ken East, and he has been with the Company for 9 years. Ken keeps a watchful eye on the mixing process, overseeing our giant vat and testing each new batch to be sure that the product trusted by users for over 50 years is made to the same absolute standard of quality. You see, while times have changed, fortunately for millions of zealous customers, the integrity of the WD-40 product has not.



04

Fifty Products That Changed the World

- 01. Semiconductor
- 02. X-rays
- 03. Radar
- 04. Plexiglas
- 05. Conveyor belt
- 06. Contact lens
- 07. Electrocardiogram
- 08. Diode
- 09. Plastic
- 10. Brillo pad
- 11. Insulin
- 12. Hearing aid
- 13. Geiger counter
- 14. Liquid fuel rocket
- 15. Penicillin
- 16. Iron lung
- 17. Scotch tape
- 18. Jet engine
- 19. Electric toothbrush
- 20. Radio telescope
- 21. Electron microscope
- 22. Nuclear reactor
- 23. Aqualung
- 24. Kidney dialysis machine
- 25. Microwave oven
- 26. Tupperware
- 27. Transistor
- 28. Hologram
- 29. Velcro
- 30. Contraceptive pill
- 31. Wide-screen cinema
- 32. Transistor radio
- 33. Video tape recorder
- 34. Endoscope
- 35. Satellite
- 36. Modem
- 37. Video game
- 38. Cardiac pacemaker
- 39. Laser
- 40. Optical disc
- 41. Fiber optics
- 42. Kevlar
- 43. Internet
- 44. LED and LCD
- 45. Floppy disc
- 46. MRI scanner
- 47. Hepatitis B vaccine
- 48. Inkjet printer
- 49. Credit card
- 50. WD-40



FAN CLUB

WD-40

WWW.WD40.COM

MY PROFILE

2000
USES LIST

FAN SPEAK

FAN FARE

FAN CLUB
B.O.D.

FAN FEEDBACK

05 The WD-40 Job Site

The WD-40 Job Site debuted in May of 2003. Located at www.wd40jobsite.com, the site offers do-it-yourselfers and professionals access to a searchable database of 150 trade secrets that are guaranteed to save time, money and effort on all kinds of home repair and maintenance projects.

Whether it's a helpful hint on routing electrical wires through walls or a tip on fixing a bad engine starter, these pearls of wisdom cannot be found in any trade manual or instruction book. They are the secrets that trade professionals have learned from years of experience on the job and shared with WD-40 Company through the Job Site.

Some of the tips are also accompanied by downloadable video and diagrams – and peppered with suggestions from the Carey Brothers, the home improvement gurus who host the syndicated radio program *On the House*. WD-40 Company plans to add new tips to the Job Site on a quarterly basis. Professionals can submit their ideas through the WD-40 Job Site or send them in writing to the Company.

More than a handy resource, the WD-40 Job Site demonstrates WD-40 Company's ongoing commitment to making everyday living a little easier for our customers.

06 The WD-40 Fan Club

Few consumer products have earned the loyalty and adoration that WD-40 has garnered over the years. So much so that the product has spawned an official fan club. The WD-40 Fan Club began in 2001 as an online venue for WD-40 users and has since grown to include more than 60,000 members.

The club, which is free to join at www.wd40.com, serves as a virtual "home base" for WD-40 enthusiasts. The site allows members to share their personal stories about the product and access tips and ideas on how to use it. Users also have the ability to download the 2000 Uses list.

The club even has a Board of Directors, an informal eleven-person advisory board, who lend their opinions on upcoming promotions, serve as product testers and get a sneak preview of future endeavors. The group, which "meets" quarterly via email, includes seven individuals who are elected by fellow fan club members and four well-known celebrities: Daytona 500-winning NASCAR driver Ward Burton, Linda Cobb, the "Queen of Clean®", and Jim and Tim, the "Duct Tape Guys." The WD-40 Fan Club shows just how much loyalty customers feel toward the brand. How many other products in the world inspire this kind of devotion?



**Members of the
WD-40 Fan Club
include some of
the most loyal and
passionate users.**

07 The People Behind the Product

Listed below are just a few of the many dedicated individuals and organizations without whom we wouldn't be celebrating our 50th anniversary.

Glen Agnew The chemist who improved the scent of the WD-40 product. **Jack Barry** As CEO, he took the Company public in the 1970s. **Dick Brooks and the Phillips Ramsey advertising agency** Our marketing and advertising partners for many years. **Buhmwool** Our exclusive WD-40 marketing distributor in Korea for 30 years. **Larry Coffinberry** Our IT pioneer, he designed some of our original systems and has been with the Company for more than 20 years. Contract packagers, **CCL (UK), IQ, Piedmont, IKI, Aerosol Services, Shield and Pax Australia** For many years, they have partnered with us on shipping, packaging and other supply chain functions, always "jumping through hoops" to ensure our success. **Crown Cork and Seal** and **Summit Valve**, our raw material suppliers. For more than 20 years, they have provided tremendous support throughout our growth. **Sam Crivello** An influential board member of WD-40 Company in the 1970s, his family remains one of the largest inside shareholders. His son Mario became a board member in the 1980s. **Edwin Del Toro** As the Company's sales representative for Puerto Rico and Central America, he developed one of the top WD-40 product consumption markets per square mile in the world. **Diane Gazzola** Now president and general manager of our Canadian subsidiary, she has been with the Company for 20 years and has been instrumental in developing the Canadian market, where usage and awareness of the WD-40 brand is comparable to what it is in the U.S. **Cy Irving** One of the Company's first presidents, he was instrumental in hiring many of the Company's trailblazers. **Norm Larsen** Inventor of the original WD-40 formula, he founded the Rocket Chemical Company, which later became WD-40 Company. **Garry Ridge** Before assuming his current position as CEO, he headed up our international sales efforts and grew our global distribution exponentially during the 1980s. As CEO, he has changed the course of the Company through his "fortress of brands" acquisition strategy. **Bob Roulette** One of the Company's original investors during the 1950s, he served as a board member until his death in the 1960s, when his wife Margaret replaced him on the board and served through the 1990s. **Al Schaffer** As sales manager, he was responsible for opening up such key accounts as K-Mart, Target, Woolco and Fed Mart. **Gerald Schleif** Former CEO, he joined the Company as marketing manager in 1969 and was later promoted to the position of Vice President of Marketing and spearheaded the "labor saver" marketing promotion that catapulted sales in the U.S. during the 1970s. **Ray Sheppard, M.D.** The founder of our European subsidiary in the United Kingdom.

08 Fifty Common (and Not So Common) Uses of WD-40

REMOVES

01. Crayon marks from walls (and chalkboards)
02. Water spots from mirrors
03. Old cellophane tape
04. Rust from curtain rods
05. Tea stains from countertops
06. Ink from jeans and tomato stains from clothes
07. Stickers from lockers
08. Gum from wallpaper
09. Lipstick from carpets
10. Roller blade marks from floors
11. Rust from cookie sheets and muffin tins
12. Grape juice stains
13. Calcium deposits from humidifiers
14. Stuck Lego blocks
15. Stuck holiday decorations
16. Road debris from license plates

CLEANS

17. Scum from rubber gloves
18. Gunk built up on doorknobs
19. Dust from artificial flowers

20. Tarnished silver serving trays

21. Food stuck in/around refrigerator
22. Furnace nozzles
23. Remote controls
24. Whitewall tires
25. Windshield wiper blades
26. Dirty power cords
27. Cell phone

LUBRICATES

28. Can openers
29. Luggage zippers
30. Flags on mailboxes
31. Toaster slides
32. Oven door hinges
33. Three-ring binders
34. Squeaky doorknobs
35. Baby swings
36. Hamster and gerbil play wheels
37. Squeaky weathervanes
38. Squeaky bathtub knobs
39. Gears on rotisserie barbecues

LOOSENS

40. Stuck light switches
41. Hard-to-separate bunk beds

HIDES

42. Scratches on glass dishes
43. Small scratches on woodwork

PENETRATES

44. Frozen mailbox doors
45. Stuck car hoods

PREVENTS

46. Garbage disposals from rusting
47. Trash compactors from squeaking
48. Cats from invading flower beds

SERVES AS

49. Nifty bookends
50. Paperweights (full cans, of course)



09

The Power of a Brand

According to research by Harris Interactive/Equitrend, WD-40 ranks among the top five brands in the United States. Not only does it have instant name recognition – and inspire fierce loyalty among millions of users – but it is one of the few brands that has assumed the status of an American icon.

What makes a brand powerful and appealing? To be sure, a successful brand has the same qualities as a trusted friend or coworker – qualities like reliability, consistency, originality and integrity – that inspire loyalty and, in some cases, reverence.

In a recent online poll conducted by WD-40 Company, thousands of voters across all fifty states demonstrated their reverence by emailing in their favorite uses for the product. The results of the poll, known as the Great State Debate, reveal just how much this brand has become part of regional culture and its usage specific to weather conditions, local monuments, family traditions and regional folklore.

WD-40 has even inspired works of popular literature. *The WD-40 Book* (Bad Dog Press), which focuses solely on creative and humorous uses for the product, features many user testimonials and the wacky humor of its authors, the Duct Tape Guys. Since the book was published in 1997, it has sold more than 100,000 copies. The familiar blue and yellow can has also been featured in other books ranging from *WD-40 for the Soul: The Guide to Fixing Everything* (TV Books, 1998) to *Polish Your Furniture With Panty Hose* (Hyperion, 1995) to college texts.

10

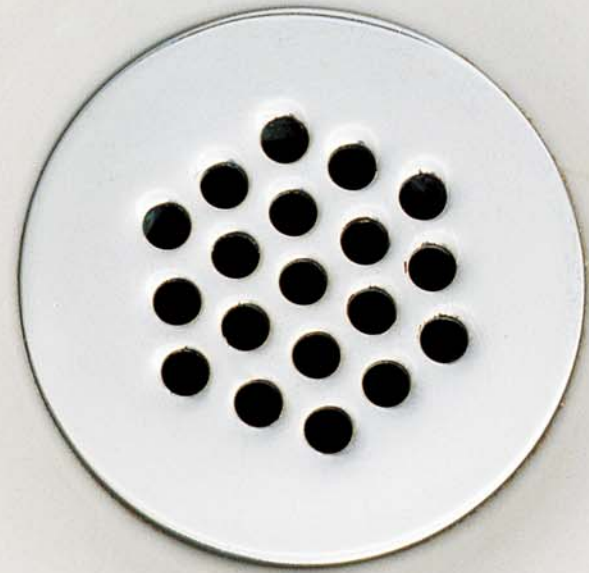
Becoming a Household Name

At WD-40 Company, we like to underscore the ubiquity of our flagship brand in a sentence that has become the unofficial corporate mantra – and an often-quoted saying in the offices and corridors of our San Diego headquarters: “We live under the sink, in the garage, and in the toolboxes of the world.” Truly, WD-40 is a product that is at home in every room of the house – and one that has become a household name that homeowners have come to trust for cleaning, protecting and lubricating just about anything.

With eight out of ten American households owning at least one can of the product (many own at least two) – and its popularity having spread to 160 countries – WD-40 holds a market share fourteen times the size of its nearest competitor. The brand has become so successful, in fact, that many companies have attempted to introduce imitation products, going so far as to even copy the distinctive blue, yellow and red colors of the WD-40 can. But nothing in this category has ever come close to the status WD-40 has achieved in households everywhere.

Why this overwhelming popularity and fierce loyalty? Former CEO of WD-40 Company Gerald Schleif explains it aptly. “Unlike very few things in this world, the product actually delivers far beyond the user’s expectations. That’s where the emotional attachment comes in. People start believing they can’t live without their WD-40.”





11

Fifty Uses in Fifty States

Alabama Penetrates stuck bolts

Alaska Sprays on snow chains to keep from rusting

Arizona Lubricates sunshade joints

Arkansas Removes cement from metal
California Penetrates rusted bolts on the Golden Gate Bridge

Colorado Cleans mountain bike gears and chains of mud and debris

Connecticut Lubricates hinges on TV cabinet doors

Delaware Eases installation of Fenwick Island Lighthouse light

Florida Cleans and removes love bugs from car grills and bumpers

Georgia Keeps wicker chairs from squeaking

Hawaii Cleans surfboard wax from roofs of cars

Idaho Protects corrosion-sensitive areas of cars

Illinois Removes decades worth of bubble gum from Wrigley Field bleachers

Indiana Removes tar from car chassis

Iowa Keeps snow from sticking to shovels and plows

Kansas Lubricates breakaway rims for easier slam-dunking by the Jayhawks

Kentucky Cleans grease from rubber hoses

Louisiana Removes love bugs from car grills and bumpers

Maine Lubricates bearings of radar antennas on lobster boats

Maryland Lubricates hinges on fishing ships

Massachusetts Protects garden implements and lawnmower blades from rust

Michigan Cleans sealing equipment in the GM assembly plant

Minnesota Lubricates elevator cables

Mississippi Cleans carbon firing residue, rust and grit from gun chambers, barrels and trigger assemblies

Missouri Cleans and protects the Gateway Arch

Montana Keeps snow from sticking to shovels and plows

Nebraska Lubricates gurneys

Nevada Lubricates drive system of dollar bill changers

New Hampshire Prevents foliage from sticking to pruning shears

New Jersey Lubricates parts from motor boats

New Mexico Cleans rusty saws

New York Protects the Statue of Liberty from the elements

North Carolina Cleans and protects tools of NASCAR pit crews

North Dakota Drives moisture and ice from car doors, trunks and other outdoor locks

Ohio Prevents rust on lawn furniture

Oklahoma Cleans grime from engines

Oregon Protects tools from rust

Pennsylvania Keeps the Liberty Bell from squeaking

Rhode Island Lubricates moving parts on sailboats

South Carolina Keeps fishing reels from rusting and fishing lures from corroding

South Dakota Polishes chrome on thousands of hogs in preparation for the rally at Sturgis

Tennessee Prevents corrosion of spark plug cables and other car parts

Texas Lubricates precision gun fittings

Utah Lubricates ski and snowboard bindings

Vermont Removes sticky maple syrup from tabletops and counters

Virginia Penetrates stuck bolts, lug nuts and hose ends on Ward Burton's No. 22 car.

Washington Lubricates rusted umbrellas

West Virginia Cleans buildup on hedge trimmers

Wisconsin Keeps snow from sticking to shovels and plows

Wyoming Cleans furnace nozzles

12

Market Penetration

In the past 50 years, WD-40 Company has built a successful distribution network based on the proliferation of our core brand, WD-40. We enter a market in one of two ways:

In the Direct Distribution model, we sell directly to wholesalers and retailers in the U.S., U.K., Canada, Australia and other countries.

In the Marketing Distributor model, we sell exclusively to marketing distributors, who in turn sell to wholesalers and retailers. The Company uses this model successfully in all three of our trading blocs.

The Company has evolved in our approach to developing markets. During the 1960s and 70s, we did so by establishing licensing agreements. During the 1970s and 80s, we opened direct markets via subsidiaries: Canada in 1974, the United Kingdom in 1985, and Australia in 1988. Well into the 1990s, we developed markets using the exclusive distributor model and the direct distribution model. Today, the Company continues to use both models.

A Marketing Distributor represents WD-40 Company in its particular market, helping to build brand awareness and developing distribution for our products. Each distributor works with the Company to implement and promote the right programs for a successful market penetration. This model allows us to invest in long-term market growth and reach multiple distribution channels.

Much of the Company's success is due to our people's understanding of our markets and their ability to apply the model that fits best in each market. The Company takes into account the country's market development stage, and specific programs and policies that will continue to develop that market into its next growth stage.

Over the years, we have learned that developing the WD-40 brand globally depends on the economic development of the market. It also depends on the development of the Company's own distribution within that market and the development of the lubricant/maintenance category in general. As the Company builds and strengthens our global distribution, we also carefully review the potential each brand has for penetration in each market in which it competes. We establish a brand vision, taking into account the careful allocation of resources, volume potential and the likelihood that the brand will be successfully introduced into specific distribution channels. This ensures that our worldwide distribution platform not only stays strong but continues to grow long-term.



13 Fifty Impostors

For 50 years, WD-40 has worked hard to build the WD-40 brand fortress. Registering the WD-40 trademark around the world was one of the very first steps we took to protect this intellectual property, and the brand is now registered in over 160 countries.

As the brand grew in consumer awareness, so did those impostors wanting to profit from WD-40's brand recognition. Through the years the protection of the brand has evolved from registration to fighting impostors in different parts of the world, including China, portions of Latin America and the Middle East.

At WD-40 Company, we recognize the importance of the WD-40 brand name and what it means to consumers. That's why our efforts have evolved from registration to protection of not only the name but also the shape of the shield on the can and the can itself. We even have trademark protection of the can's blue and yellow colors and the red of the cap, since they have become synonymous with the WD-40 product.

China counterfeits are an example of some of the intellectual property protection matters WD-40 Company faces on an ongoing basis. We are serious in our efforts to legally fight counterfeiters and those who infringe on our trademark.

WD-40 Company currently has a different intellectual property strategy for each of its brands, depending on its level of brand awareness and reach around the world. For example, our flagship brand, WD-40, is a world-famous trademark with instant recognition. Intellectual property journals even distinguish it based on the shape of its can alone.

14 Going Public

WD-40 Company went public in 1973 – twenty years after it was founded. It wasn't because the Company was in need of capital, but rather because of a mandate in the shareholder laws governing Subchapter S corporations. According to the law, because the Company had more than eight shareholders, it could no longer remain a private corporation. On the very first day of being listed over-the-counter, its stock price started at \$13 per share and increased by 61 percent – an auspicious debut, to be sure.

The Company has had three stock splits in its history. The first one was on October 9, 1978 – a 2 for 1 stock split. The second one was on April 11, 1983 – a 3 for 1 split. And the third one was on July 11, 1997 – a 2 for 1 stock split.

In 1993, WD-40 Company celebrated its 40th anniversary by breaking the \$100 million sales mark. That same year, the Company was listed among the Top Ten Most Profitable companies on the NASDAQ exchange, which is where the stock is traded today.

15 Corporate Mission Statement

At WD-40, we always strive to remain true to our mission statement in everything that we do as a company:

We are a global consumer products company dedicated to building brand equities that are the first or second choice in their respective categories.

Our mission is to leverage and build the brand fortress of WD-40 Company by developing and acquiring brands that deliver a unique high value to end users and that can be distributed across multiple trade channels in one or more areas of the world.

We strive to cultivate a learning culture based on our corporate values. We have a healthy discomfort with the status quo. We reward those who take personal responsibility in getting results to increase the profitability and growth of our business.

16 On Celebrating Fifty Years

How do you celebrate an event as significant as a 50th anniversary? How many companies actually reach such a milestone – with a portfolio of brands that are as successful as ours?

Besides a variety of company-wide celebrations, WD-40 Company is sponsoring special events around the world as well as once-in-a-lifetime promotions. These include the creation and distribution of a limited-edition 50th anniversary commemorative can and a 50th anniversary instant-win game that gives consumers the chance to win a new Dodge Ram 1500 pickup truck loaded with Stanley tools, as well as numerous other prizes.

In honor of our 50th anniversary, we also held an online poll, the Great State Debate, to determine consumers' favorite WD-40 uses in the fifty states. For each vote cast, the Company donated fifty cents to Rebuilding Together, a nonprofit organization that is dedicated to rehabilitating homes for low-income families.

17 A Message From Garry Ridge

G'day, as you read this year's report, you'll learn of the Company's humble beginnings, our 50-year evolution of our remarkable flagship product, WD-40, and our transition to a global consumer products company with a fortress of brands.

In 2003, we steered our business through the uncertainties of the marketplace by constantly monitoring our programs and making adjustments as the year evolved. We also kept a close eye on expenses. The result: a year of record sales and earnings. *Check out Section 18, which follows.*

We delivered on last year's commitments. We focused on the growth of WD-40 internationally and particularly in Europe had great results in growing the brand. Earlier this year, we refocused our European brand vision to our lubricant segment and have been rewarded for doing so. We encountered some hurdles in growing the household brand segment this year, due to "shelf space squeeze" and competition. (The grocery channel experienced an increase in household products, and the trade simply reduced product volume on the shelves to make room for new products.)

Another focus was Carpet Fresh® No Vac, which maintained its market share in spite of shelf squeeze in the grocery channel. We will continue to look at ways to keep growing this brand next year.

Spot Shot® earned higher Nielsen ratings due to increased advertising in the second half of the year. We realize it takes time to grow brand awareness and increase distribution.

We launched the 3-IN-ONE® Professional line, and early indications are good. We've introduced this professional line in North America, Europe and Australia. We also innovated several of our brands, such as X-14® Professional and Carpet Fresh® Spray-On Cap in the U.S. Instead of another acquisition, we focused our efforts on building and defending our portfolio of current brands. We also surpassed our annual earnings estimates, reaching an EPS of \$1.71.

This year we redefined our brand missions by country to meet our market needs globally. We realize that not every brand fits into every market, and our diversification now allows us to carefully craft our strategy to grow the brands at a healthy long-term rate. We strongly believe this will lay the groundwork to help us introduce and continue to develop brands around the world. As we learned with the WD-40 brand, introducing and developing a brand in a market may require several decades to achieve high consumer awareness and multiple channel distribution.

In the Americas, we increased our net sales by 8.1 percent. Our household brands, except for X-14, maintained their market share even in demanding times and shrinking categories. We continued to defend our fortress of lubricants in the U.S. and launched the 3-IN-ONE Professional line earlier this year.

Latin America performed strongly and moved local production of WD-40 to Argentina. Canada experienced record sales and profits as we saw excellent growth from several major customers due to recent acquisitions.

Europe had record sales, up 16.3 percent. Our focus in Europe is to grow the lubricants business, and we have – by 16.7 percent. We continued to make strides in continental Europe and Russia while holding steady in the Middle Eastern markets despite conflict in that part of the world.

Asia sales grew by 10.7 percent – Japan, India, Korea and China continue to experience growth. In Australia, where we introduced the 3-IN-ONE Professional line and No Vac Auto products this year, sales grew by 18.6 percent

What lies ahead for the Company next year? We continue to focus our growth on Spot Shot in the U.S. and WD-40 internationally. These will be our top priorities during the next fiscal year. Line extensions and product innovation will also be top-of-mind. We expect earnings per share of 1.80 to 1.90 in 2004 as well as a 9.4 percent increase in net sales over fiscal year 2003.

Our business is not without risk, however, so you should be continually aware of some of the areas that could affect the Company. For example, because litigation seems to be an ever-increasing part of our society, we, like the rest of the business community, will always have legal exposure.

I urge you to continue to refer to our investor relations section at www.wd40.com as a source of the most up-to-date Company information. Please sign up for E-mail Alert to be notified via email message of the latest developments.

18 Business Results

Net worldwide sales of \$238.1 million, up 9.9 percent over last year's \$216.8 million.

Net income for the year was \$28.6 million, up 16.1 percent compared to last year's \$24.7 million.

Earnings per share were \$1.71, compared to \$1.53 in 2002.

Sales in the Americas were up 8.1 percent: \$178.5 million compared to \$165.1 million in 2002.

Sales in Europe increased 16.3 percent: \$45.2 million compared to \$38.9 million the previous year.

Sales in Asia/Pacific increased 12.7 percent: \$14.4 million compared to \$12.8 million the previous year.

Global sales of the lubricants WD-40 and 3-IN-ONE Oil were \$145.0 million for the year, up 7.9 percent over last year.

Sales of heavy-duty hand cleaners, Lava® and Solvol®, were \$7.5 million, down 25.7 percent from 2002.

Sales of household products, X-14, Carpet Fresh, 2000 Flushes® and Spot Shot were \$85.6 million, up 18.4 percent from last year.

19 The Future

On this, the Company's golden anniversary, we are already looking ahead to our success over the next fifty years. We are firmly committed to sustained long-term growth, to launching line extensions of our brands when those make sense and to continually innovating our brands. Between now and the end of fiscal year 2008, our goal is to grow sales between 6 and 8 percent and grow net income between 8 and 11 percent (compound annual growth rate). In addition, we will be inquisitive about opportunities to acquire new brands that meet our stringent criteria. And we remain committed to maintaining a corporate environment in which people feel passionate about our Company's values, mission and culture.



20 Thanks to Many People

This year's annual report acknowledges the efforts of people who, throughout the Company's history, made significant contributions to our success. We honor those who came before us by continuing their work of building a great Company and preserving the WD-40 legacy for future generations.

I also want to thank all of the people who performed in many remarkable ways to deliver results this past year. As you know, our success is not just due to amazing products but also to passionate and dedicated people. Thank you, too, to our stakeholders. You come through for us each and every time – our partnerships are indeed strong with commitment.

And to our shareholders, those who have been with us for so long and those who have recently joined our family, I say thank you for believing in and supporting us. When I look back at the Company's story, I am reminded of a similar one, *The Little Engine that Could*. It's truly been a remarkable ride.

Sincerely,

Garry Ridge
President and Chief Executive Officer

21

Top Fifty Operating Markets

(markets are listed alphabetically)

01. Argentina	18. Indonesia	35. Russia
02. Australia	19. Israel	36. Saudi Arabia
03. Austria	20. Italy	37. Singapore
04. Belgium	21. Japan	38. Slovakia
05. Brazil	22. Kenya	39. Slovenia
06. Canada	23. Korea	40. Spain
07. Chile	24. Kuwait	41. Sweden
08. China	25. Malaysia	42. Switzerland
09. Colombia	26. Mexico	43. Taiwan
10. Czech Republic	27. Netherlands	44. Thailand
11. Denmark	28. New Zealand	45. Turkey
12. France	29. Norway	46. UAE
13. Germany	30. Oman	47. Ukraine
14. Greece	31. Philippines	48. United Kingdom
15. Holland	32. Poland	49. U.S.A.
16. Hong Kong	33. Portugal	50. Venezuela
17. Hungary	34. Puerto Rico	

22

A Global Focus

The WD-40 distribution network includes 62 channels and extends all over the world. The Company is organized around three distinct trading blocs – the Americas, Europe and Asia/Pacific – affording us the depth of resources and the specific market knowledge to think globally while acting locally, zeroing on the best market channels with which to launch and market a particular brand in a particular country. For example, while WD-40 was first marketed in sporting good stores in the U.S., the brand was launched in hardware stores in Germany and in industrial supply stores in China.

The Corporate Brand Support Centre and manufacturing site have expanded beyond our two strategic account offices in the United States and now include wholly-owned subsidiaries in Canada, the United Kingdom and Australia, as well as offices in Europe and Asia.

The Company has become a global company in every sense of the term.

23

The Americas

*36 Countries/11 Languages
Regional Population: 808 million
Brand Vision: WD-40,
3-IN-ONE, Lava, X-14, 2000
Flushes, Carpet Fresh, Spot Shot
Percentage of Sales: 75 percent*

The Americas saw record sales and profits in 2003 despite challenges on many fronts.

Economic uncertainty, the war in Iraq, shelf space pressures from new products and a host of other factors impacted sales across our various channels and brands. But we were successful in increasing net sales by 8.1 percent over 2002, and our grocery brands, except X-14, maintained or grew their market share.

We have upgraded our North American IT (Information Technology) network and made it more secure. We have shortened the order cycle time of our growing EDI (Electronic Data Interchange) customer base and are now taking orders over the Internet to better meet customer needs.

We continue to develop and deploy systems that provide our teammates with a view of the business that enables them to make good proactive business decisions. We continue to refine our supply chain, seeking to remove costs and increase our customer service levels.

Retail consolidation and service demands continue to put pressure on our margins. Pricing pressures are also increasing, especially on items related to the price of oil and steel aerosol cans. New volatile organic compound (VOC) regulations and product fees have increased our costs in California and other parts of the U.S.

Canada saw record sales and profits as we experienced excellent growth due to recent acquisitions, hard work, customer specific promotions and new SKU (Stock Keeping Unit) development. We will continue to grow 2000 Flushes in the grocery channel and add the 3-IN-ONE Professional line extension to increase sales in FY2004.

Latin America sales met expectations, even with WD-40 moving to local production in Argentina. Our team delivered a stand-out performance and will continue to nurture our brands in this region.

In the U.S., we are beginning to see results from our innovative efforts with Carpet Fresh No Vac Auto, 3-IN-ONE Professional line extensions and other new SKU sizes and configurations. We are also using our expanded brand portfolio to actively develop opportunities in new trade channels.

24 Europe, Middle East and Africa

123 Countries/52 Languages
Regional Population: 1.6 billion
Brand Vision: WD-40, 3-IN-ONE
Percentage of Sales: 19 percent

It was another record year. Overall, sales grew by 16.3 percent, with the WD-40 brand growing by 17.1 percent. Many countries contributed to this growth, including France (30.2 percent growth), Spain (36.1 percent), Germany (33.1 percent) and Italy (46.5 percent).

The Distributor Team brought in excellent results in Russia, Bulgaria, Hungary and the Baltic States. The Middle Eastern markets of Bahrain, Oman, UAE, Turkey, Egypt and Pakistan have all grown well despite the unrest in that region.

We still have work to do in the United Kingdom. We were affected by poor sales leadership, which led to an under-performing team and other staffing issues. This has since been addressed with the appointment of the current sales director for continental Europe to head up the U.K. business. We were also affected by Lava results. While distribution was established in all major retail and wholesale accounts, the complete lack of brand awareness did nothing to move the product. So we have decided to discontinue our efforts with Lava throughout the U.K.

On the positive side, we have been strengthening WD-40's brand perception in the U.K. by sponsoring a well-known hardware/do-it-yourselfer and television personality, "Handy Andy," and recent results show that this strategy is paying off.

The greatest sales opportunities moving forward still lie with the organic growth of the WD-40 brand. We also recently launched the 3-IN-ONE Professional line in the U.K. and will roll it out in France early in 2004 and in Spain in the fourth quarter. Our Distributor Team has been very successful at growing the Dutch market – soon we will take this market direct and establish our own sales presence.

We continue to hone the efficiencies of our logistics, customer service, finance and IT functions. And we have restated our European Vision to focus solely on the general-purpose maintenance lube market. As a result, 2004 looks to be a promising year, in which we will set new records.

25 Asia / Pacific

28 Countries/51 Languages
Regional Population: 3.5 billion
Brand Vision: WD-40, 3-IN-ONE,
Solvol, Spot Shot, No Vac
Percentage of Sales: 6 percent

Asia sales grew \$1 million to \$10.6 million – 10.7 percent over 2002. Australian sales reached \$3.8 million, growing 18.6 percent. China sales were up over 2002, despite the continued proliferation of counterfeits throughout the market. This growth reflected the efforts of our people and our Chinese distributor to maximize our distribution and grow the WD-40 brand. We continued an aggressive program to curb the activity of counterfeiters.

Japanese sales continued to climb, increasing over the prior year. India and Korea also saw increased sales and distribution.

The Solvol brand in Australia increased 29.4 percent for the year, reflecting the continued expansion of our distribution and consumer awareness of this iconic brand. The year also saw the introduction of new brands in Australia and Asia. In Australia, we launched 3-IN-ONE Professional and No Vac Auto scent, with good initial success. The No Vac Auto product has elicited immediate response from consumers, and 3-IN-ONE Professional has had strong support from the industrial and automotive channels. In Asia, we added Spot Shot and Carpet Fresh No Vacuum to the automotive market, and both brands have been well received.

1973 / Sales per Employee** / 23 Employees / \$307,000

307K

1983 / Sales per Employee** / 38 Employees / \$1,266,000

1,266K

1993 / Sales per Employee** / 143 Employees / \$730,000

730K

2003 / Sales per Employee** / 213 Employees / \$1,118,000

1,118K

26

Fifty Places to Buy Our Products

- | | |
|---|--|
| 01. Auto parts stores | 26. Janitorial supplies |
| 02. Bearing supplies | 27. Law enforcement supplies |
| 03. Bicycle stores | 28. Locksmiths |
| 04. Builders hardware | 29. Marine equipment & supplies |
| 05. Chemicals wholesalers | 30. Mass merchants |
| 06. Craft stores | 31. Military |
| 07. Contractors equipment supplies | 32. Mining supplies |
| 08. Department stores | 33. Mobile home equipment and parts |
| 09. Discount stores | 34. Motorcycle parts stores |
| 10. Dollar stores | 35. Motor oil distributors |
| 11. Drug stores | 36. Office supplies |
| 12. Electric equipment wholesale | 37. Paint supplies |
| 13. Electric tools | 38. Plumbing fixtures & supplies |
| 14. Electronic stores | 39. Printing equipment & supplies |
| 15. Farm cooperatives | 40. Ship chandlers |
| 16. Farm supply | 41. Specialty retail stores |
| 17. Fishing tackle stores | 42. Sporting goods |
| 18. Garden and lawn supplies | 43. Super centers |
| 19. Grocery stores | 44. Swimming pool equipment and supplies |
| 20. Hardware/home centers | 45. Trailer supplies |
| 21. Health & fitness equipment maintenance supplies | 46. Truck parts supplies |
| 22. Hobby stores | 47. Value discounters |
| 23. Home improvement stores | 48. Vending machine parts |
| 24. Hotel/motel equipment supplies | 49. Warehouse clubs |
| 25. Industrial supplies | 50. Welding equipment |

PLEASE HOLD BOTH HANDLES



27 Distribution Channels

The WD-40 Company mindset is not limited to one or two distribution channels – it never has been. Over the course of fifty years, the Company has learned how to compete in multiple distribution channels in more than 160 countries throughout the world.

The ubiquity of some of the WD-40 brands is a logical extension of the products themselves. Their wide variety of applications is universal – they transcend national boundaries. Precisely because of their versatility, these brands are not restricted to a few trade or distribution channels like other products.

Unlike competitors who have opted for a “one trade channel/one brand” strategy, WD-40 Company provides a variety of ways for customers to interact with its products by making them available in a broad range of shopping environments. These include hardware/home improvement, automotive, mass merchant, farm supply, sporting goods, industrial and janitorial supply, grocery, discount, office supply, military and others.

Every distribution channel presents its own unique set of challenges. The Company continues to build on the knowledge we have gained from years of experience in the various distribution channels and to apply this knowledge in a variety of ways, most notably in cross-channel distribution efforts, which remain pivotal for long-term growth.

28 The Acquisition Strategy

The WD-40 Fortress of Brands strategy is guided by a set of acquisition criteria, which insure a portfolio of brands that build on each other's strengths.

Target acquisitions are branded products where we can identify a “value gap” between the brand's performance and the Company's core competencies. A value gap might exist geographically, such that we can enhance the acquired brand with our global presence and infrastructure. Or there might be a gap in distribution, whereby a potential acquisition brand could benefit from our strength and presence in multiple distribution channels.

To be considered for acquisition, the brands must have demonstrable benefits (e.g., remove stains, eliminate squeaks, etc.) and deliver above-expectation performance at extremely good value to end users (what we like to refer to as “consumer glue”).

Once a successful brand has been identified, there is a strategic determination of how the brand will integrate into the supply chain, the countries and trade channels where it should be introduced first, the line extension opportunities and how best to promote the brand based on its qualities and market potential – considerations that become crucial in the integration process.



29 Integrating Acquisitions

In 1995, WD-40 Company achieved another important milestone: the acquisition of the 100-year-old brand 3-IN-ONE Oil from Reckitt & Colman. This marked the beginning of an acquisition strategy that continues to this day and has successfully transformed the Company into a global powerhouse, with a multitude of leading brands in the household maintenance and cleaning categories.

In 1999, we added Lava, the most famous heavy-duty hand cleaner in the U.S. In the following year, we entered the heavy-duty hand cleaner category in Australia and New Zealand, with the acquisition of Solvol. In 2001, we made our largest acquisition ever, purchasing Global Household Brands and its well-known 2000 Flushes, Carpet Fresh and X-14. And in 2002, we acquired Spot Shot carpet stain remover from Heartland Corporation.

Each of these acquisitions has reaped important strategic benefits for the Company, and our success at incorporating each of these brands into the WD-40 family – and the distribution channels where the Company has traditionally had dominance – underscore just how adept we have become at integration. By taking fullest advantage of our learning culture, we have developed the talents and the infrastructure to absorb newly acquired products into our fortress quickly and efficiently. Most important, everyone in the Company is on the same page in terms of the goals and values that guide every aspect of the acquisition and integration processes.

30 Products That Bring Instant Results

All of the brands the Company has acquired since we initiated our acquisition strategy in 1995 were already number one or two in their respective markets before we acquired them.

3-IN-ONE was already the best-known product in the drip oil category. Lava was the original heavy-duty hand cleaner and the leading choice in the U.S. for cleaning even the dirtiest of hands. The brands acquired in 2001, Carpet Fresh, X-14 and 2000 Flushes, were also leaders in their respective categories and had widespread distribution. And Spot Shot, the brand we acquired in 2002, is clearly number one in its category – and the most effective carpet stain remover on the market today – with a 14 percent market share.

All of these brands have another important attribute in common. Just like their leadership positions in their respective markets have given our Company immediate sales results once they were integrated into our fortress of brands, the products themselves have all been designed to deliver instant results to the user – one of the most important acquisition criteria of all.

31 Spot Shot

The originators of the Spot Shot brand, Heartland Corporation, developed a proprietary cleaning formula that quickly and easily removes even the toughest carpet stains – including both oil- and water-based stains – regardless of the age of the stain. Spot Shot requires no rubbing, scrubbing or vacuuming and leaves no rings or residue.

A strong addition to our brand fortress, the Spot Shot line includes two products: Spot Shot Instant Carpet Stain Remover and Spot Shot Large Area Multi-Purpose Foam Cleaner. The latter product is especially designed for cleaning carpets in entire rooms and high-traffic areas, but it even works great on hard surfaces such as appliances, countertops and bathroom fixtures.

32 Major Acquisitions Matrix

Acquisition Date:	December 1995	April 1999	April 2001	May 2002
Brand(s):	3-IN-ONE	Lava	2000 Flushes ¹ X-14 ¹ Carpet Fresh ¹	Spot Shot ²
Product Line:	Lubricants	Hand Cleaners	Household Products	Household Products
Purchase Price:	\$ 15,447,000	\$ 23,283,000	\$ 72,900,000	\$ 47,200,000
Annual Sales Revenue at date of purchase:	\$ 14,427,000 ³	\$ 9,159,000 ⁴	\$ 70,502,000 ⁵	\$ 32,863,000 ⁶
Purchase Price as a multiple of annual sales revenue:	1.07	2.54	1.03	1.44
Acquired from:	Reckitt & Colman, Inc.	Block Drug Company, Inc.	Private Shareholders	Private Shareholders

¹ The Company acquired HPD Holdings Corp., a privately held company that owned 2000 Flushes, X-14 and Carpet Fresh brands.

² The Company acquired Heartland Corporation, a privately held company that owned the Spot Shot brand.

³ Annual sales revenue as reported in the audited financial statements for the year ended December 31, 1994.

⁴ Annual sales revenue as reported in the audited financial statements for the year ended March 31, 1999.

⁵ Annual sales revenue as reported in the audited financial statements for the year ended March 30, 2001.

⁶ Annual sales revenue as reported in the audited financial statements for the year ended December 31, 2001, which are reflective of the adoption of EITF 01-09 ("EITF 01-09" is the consensus reached by the Emerging Issues Task Force of the FASB in Issue EITF 01-09: "Accounting for Consideration Given by a Vendor to a Customer or Reseller of the Vendor's Products"). Note that this application reclassifies certain costs formerly included in advertising and sales promotion expense to a reduction in sales.



Spot Shot, the carpet stain remover designed for even the toughest carpet stains is now WD-40 Company's second best-selling brand, behind our flagship product, WD-40 – no small accomplishment, considering that we only acquired the brand in 2002. The brand, which we purchased from Heartland Corporation, is number one in its category – and the most effective carpet stain remover on the market today.

33 Global Household Brands

The purchase of Global Household Brands in 2001 has been our largest acquisition to date. With it, we acquired three powerhouse brands, X-14 Mildew Stain Remover, 2000 Flushes automatic toilet bowl cleaner and Carpet Fresh rug and room deodorizer, which all had widespread distribution – and clout – in the grocery channel. We believed these brands had excellent potential in traditional WD-40 distribution channels as well, and this is already proving to be the case, as a result of our successful integration efforts over the past two years.

With the Global Household Brands acquisition, we achieved true diversification. The Company now serves three distinct product categories: household products (2000 Flushes, X-14, Carpet Fresh, and the brand we acquired in 2002, Spot Shot); heavy-duty hand cleaners (Lava and Solvol); and lubricants (WD-40 and 3-IN-ONE). We now unequivocally live under the sinks, in the garages, and in the toolboxes of the world.

34 X-14

X-14 Hard Surface Cleaners are specifically formulated to clean the toughest stains on shower doors, tubs, toilets, sinks and countertops. There are currently three products in the X-14 line:

X-14 Soap Scum Plus Bathroom Cleaner does away with the toughest soap scum, dirt, hard water stains and other bathroom stains without scrubbing. It also deodorizes while leaving a fresh herbal scent.

X-14 Instant Mildew Stain Remover works on bathroom tile, grout, fiberglass shower doors, sinks, fixtures, vinyl showers and shower curtains in seconds without scrubbing. It is also ideal for removing mildew stains before painting and eliminates mildew from vinyl awnings/siding, boat tops, garbage cans and patio furniture.

Our new X-14 Professional Instant Mildew Stain Remover is designed for trade professionals and do-it-yourselfers who require a maximum-strength product. With a powerful cleaning formula that is 66% stronger than most regular-strength mildew stain removers, X-14 Professional is effective on virtually any kind of work surface.

35 2000 Flushes

The 2000 Flushes line includes a variety of automatic toilet bowl cleaners, which are popular sellers in grocery stores and the other channels where they are sold.

2000 Flushes Blue Plus Bleach combines chlorine cleaning power to bleach away stains and potent blue detergents that freshen with every flush. The product will keep a toilet clean and deodorized – and the water sparkling blue – for up to four months.

2000 Flushes Bleach cleans with powerful chlorine to bleach away stains with every flush. The product will keep a toilet clean and deodorized – and the water crystal clear – for up to four months.

2000 Flushes Blue Plus Detergents cleans and deodorizes with powerful detergents that will keep the water in a toilet sparkling blue for up to five months





Maximum Strength
X14
 INSTANT MILDREW-STAIN REMOVER
 CAUTION: IRRITANT

NEW!
 Herbal Scent
X14
 SOAP SCUM *Plus*
 BATHROOM CLEANER
 CAUTION: EYE IRRITANT

NEW!
 Herbal Scent
X14
 SOAP SCUM *Plus*
 BATHROOM CLEANER
 CAUTION: EYE IRRITANT

2000 FLUSHES
 2000 FLUSHES
 2000 FLUSHES
 2000 FLUSHES
 Bleach
 Bleach
 Bleach
 Bleach
 4 MONTHS
 4 MONTHS
 4 MONTHS
 4 MONTHS

X14
 SOAP SCUM *Plus*
 BATHROOM CLEANER
 CAUTION: EYE IRRITANT

36 Carpet Fresh

The Carpet Fresh line includes the original Carpet Fresh Powder Rug and Room Deodorizer, Carpet Fresh No Vacuum and Carpet Fresh No Vac Auto.

Carpet Fresh Powder Rug and Room Deodorizer contains baking soda to help eliminate the odors trapped in carpets. It offers a choice of seven long-lasting scents, all of which leave a home smelling fresh and clean.

The No Vacuum product represents an exciting breakthrough in the category. Just foaming it on eliminates odors. The foam breaks up in minutes, leaving the carpet dry and trapped-in odors eliminated – without any vacuuming.

Carpet Fresh No Vacuum comes in four fragrances, including one that is designed especially for homes with pets and contains a patented pet odor neutralizer and a fragrance designed especially for automobiles.

37 Lava and Solvol

In May 1999, WD-40 Company added Lava to its fortress of brands when it acquired the brand from Block Drug Company. Not only is Lava the most famous brand of heavy-duty hand cleaners in the country, but, more importantly, the people who use Lava are many of the same consumer and industrial customers who use our other multi-purpose products.

When we first acquired the Lava brand, it was available in bar soap form and in an underdeveloped liquid form. The Company subsequently developed the Lava liquid hand soap into larger sizes for introduction into the hardware channel.

Later, we introduced this same liquid brand extension for Solvol (Lava's counterpart in Australia, New Zealand and the Pacific Islands), which we acquired in the year 2000. The Solvol brand had been in existence in those countries since 1936 and already had 85 percent brand awareness and 90 percent market share in the heavy-duty hand cleaner category there. It remains a very strong performer for us. We recently introduced a Solvol Liquid with moisturizers that, while tough on dirt, is gentle on the skin.

38 3-IN-ONE

When WD-40 Company acquired 3-IN-ONE Oil in 1995 from Reckitt & Colman, the product already had a 100-year history and a trusted name among consumers, just like our flagship brand. With its precise applicator spout, 3-IN-ONE made a wonderful match for WD-40 – together they formed a powerful duo that could address virtually every lubrication need.

In 1999, the Company added to the 3-IN-ONE product line a new delivery system, the Telescoping Spout. Reminiscent of an old-time oil can, the plastic bottle comes with a five-inch extendable spout that is designed to get at hard-to-reach places. The 3-IN-ONE Telescoping Spout has won numerous awards since its launch.

This past year, the Company introduced a new 3-IN-ONE Oil Professional line in the U.S. and Australia, and gained distribution for it in a major retailer in the United Kingdom. The products available in this line include a silicone spray lubricant, white lithium grease and fast-acting penetrant.



Removes Tough Stains
Without Scrubbing

39 The Squeak, Smell and Dirt Business

To build on the old saying, “Advertising is the sizzle that sells the steak,” marketing and advertising provide the magic that brings our products to life – in the “squeak, smell and dirt” business. Advertising and distribution encourage people to try a brand for the first time and help keep them coming back for more. As we continue to grow our fortress of brands, marketing continues to play an important role.

During this, our 50th anniversary year, we have been conducting a variety of global promotions not only to commemorate this milestone but also to increase demand for our brands. Most notable among these promotions is the 50th anniversary instant-win game, with a new Dodge Ram 1500 pickup truck loaded with Stanley tools as the grand prize. Special 50th anniversary commemorative cans of WD-40 bearing an instant-win game piece began appearing on store shelves this past May. In addition to our ongoing advertising efforts in print and broadcast, we continue to invest in our retail promotional program centered around America's fastest growing sport, auto racing, and Daytona 500 winner, Ward Burton, who remains a popular Company spokesperson.

40 Long-Term Objectives

At WD-40 Company, we expect that our long-term sustainability will continue to set an example for the industry. And we will continue to preserve and grow our assets around the world – carefully developing markets, monitoring our resources and how they are used, learning and applying knowledge, and developing our employee capabilities so that we can continue to envision, plan, execute and review year after year.

WD-40 Company's long-term objective is to focus on delivering value to shareholders by acquiring and developing brands that deliver above-expectation performance at extremely good value and that fit within the realm of the squeak, smell and dirt business. To achieve this objective, we continue to build the foundation created by our core brand, WD-40, which over the course of 50 years has developed strong worldwide distribution.

Acquiring brands that continue to benefit and build on that distribution remain key to our success. Each new brand will be carefully assessed based on a variety of criteria, including its synergy with early development of markets and introduction to distribution channels, the level of advertising needed to generate consumer awareness, its volume potential and the possibilities for line extension and product innovation. Each newly acquired brand will have a strategic vision behind it as well as clearly delineated stages of development in multiple countries.

Understanding consumer and industry trends will be another important element in sustaining long-term growth for us. Remaining flexible to changes while staying focused on the overall vision is always crucial.

Finally, working to improve the community and environment in which we live and work will help us ensure our long-term sustainability. The Company recognizes the need to be a part of a world that is constantly evolving for the better.

This annual report contains forward-looking statements concerning WD-40 Company's outlook for sales, earnings, dividends and other financial results. These statements are based on an assessment of a variety of factors, contingencies and uncertainties considered relevant by WD-40 Company. Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the forward-looking statements, including sales of specific brands, impact of advertising expenditures, changing accounting principles and uncertain global economic conditions. The Company's expectations, beliefs and projections are expressed in good faith and are believed by the Company to have a reasonable basis, including without limitation management's examination of historical operating trends, data contained in the Company's records, and other data available from fourth parties, but there can be no assurance that the Company's expectations, beliefs or projections will be achieved or accomplished. The risks and uncertainties are detailed from time to time in reports filed by WD-40 Company with the SEC, including Forms 8-K and 10-K, and readers are urged to carefully review these and other documents.

41 Commitment to the Environment

At WD-40 Company, we have long been committed to protecting the environment. Our products, for example, do not contain chlorofluorocarbons (CFCs). And through the use of our lubricant products to extend the life of tools and equipment, we help to save natural resources and reduce the accumulation of solid waste.

Our products are also responsibly manufactured, with recycled materials used in many packaging components. As technology allows, we will continue to explore additional practices that reflect our long-standing commitment to the environment.

Over the years, we have consistently made changes to address environmental issues as they arise. It is a responsibility we take very seriously. We consider the environment itself to be one of our stakeholders, and increasing the value we return to our stakeholders has always been WD-40 Company's primary corporate mission.

42 Community Involvement

Our commitment to giving back to the communities in which we do business is best reflected in a mission we have developed: WD-40 Company will sponsor and support projects and programs that improve the quality of life in the communities we serve and where our employees live and work.

On September 21, 2003, WD-40 Company kicked off its 50th anniversary events by partnering up with Rebuilding Together, an organization dedicated to improving homes for the elderly, low income and handicapped. A group of 70 employees painted and worked on yard projects to make life better for a grandmother raising four of her grandchildren on her own. A great way to give back to the community while celebrating the Company's birthday.

For more than twenty years, the Company has maintained a Community Involvement Program to benefit the San Diego area. Our commitment is best reflected in the numerous organizations we support financially and donate our time to each year. These include the Avon 3-Day Breast Cancer Walk, Big Sisters League, Challenged Athletes Triathlon, Leukemia Society, Ronald McDonald House, St. Vincent DePaul Triathlon and the United Way Company Match Program, to name just a few.

As we have grown internationally, the Community Involvement Program has expanded to the communities where we do business abroad. In fact, each region and trading bloc has a committee that reviews requests from indigenous charities and makes decisions based on local sensibilities and customs.

In Australia, for example, we have supported the Make-A-Wish and Starlight Foundations and the New Children's Hospital of Westmead. In Canada, the Company is very involved in medical research, supporting cancer and diabetes organizations, Easter Seals and other charities. And in Europe, we support local and regional organizations of all kinds.

Our employees throughout the world dedicate countless hours to improving their communities. Take Peter Fougner, for example, our Manager of New Product Development, who in 2003 received the People's Choice Award for his outstanding contributions in this regard. “This Company does more than just encourage community involvement,” says Fougner. “It even allows employees to do community service work on company time. This is a culture of giving.”

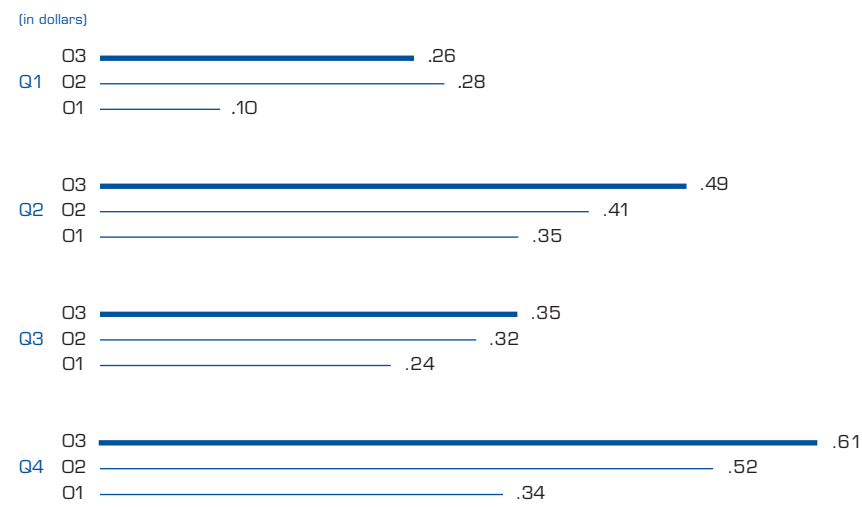
43 Profitability Ratio

Return on Sales** (after tax)
12%

Return on Assets
12%

Return on Equity
27%

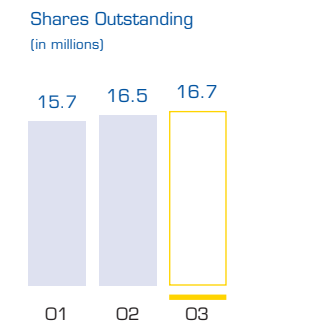
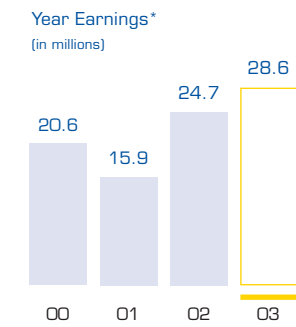
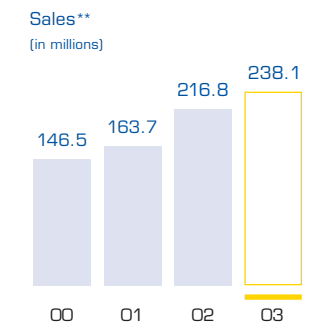
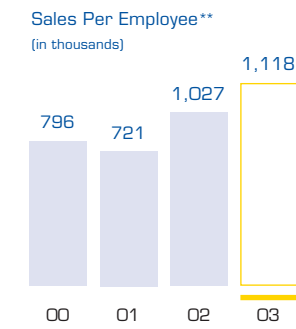
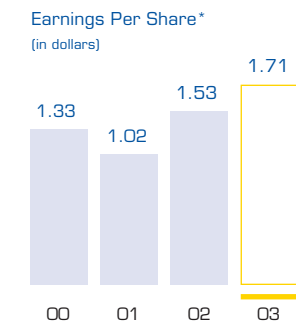
44 Earnings Per Share by Quarter



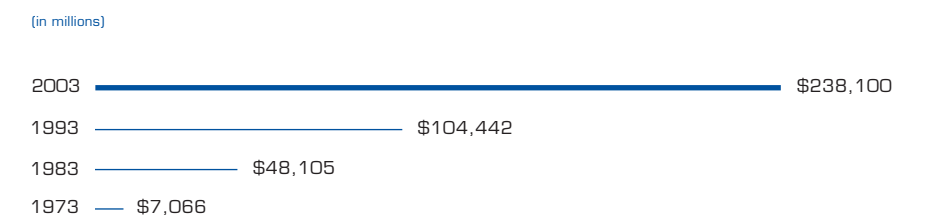
45 Five-year Summary

(in thousands, except per share amounts and employees)	1999	2000	2001	2002	2003
Net Sales**	\$140,353	\$146,469	\$163,748	\$216,764	\$238,140
Cost of Product Sold	64,558	69,414	79,547	108,153	115,928
Gross Profit	75,795	77,055	84,201	108,611	122,212
Operating Expenses	41,851	45,432	56,112	66,245	72,460
Interest & Other Income, Net	256	(495)	(2,508)	(6,555)	(6,357)
Income Before Income Taxes	34,200	31,128	25,581	35,811	43,395
Provision for Income Taxes	12,135	10,570	8,698	11,135	14,754
Net Income	22,065	20,558	16,883	24,676	28,641
Cumulative effect of accounting change			(980)		
Earnings per Share (diluted)	1.41	1.33	1.02*	1.53	1.71
Dividends per Share	1.28	1.28	1.18	0.94	.80
Total Assets	91,957	84,950	166,712	215,045	236,867
Number of Employees	177	184	227	211	213

46 Financial Charts



47 50 Years of Sales by Decade**



* This amount is after the cumulative effect of a change in accounting for revenue recognition for fiscal year 2001.
** All sales reported are reflective of the application of the consensus reached by the Emerging Issues Task Force of the FASB in Issue EITF 01-09 ("EITF 01-09") entitled, "Accounting for Consideration Given by a Vendor to a Customer or a Reseller of the Vendor's Products."

48 Corporate Information

Board of Directors

John C. Adams Jr.
Investor
Former Chairman & CEO
AutoZone, Inc.

Giles H. Bateman
Former CFO and Director
Price Club

Richard A. Collato
President and CEO
YMCA of San Diego County

Mario Crivello
Investor

Daniel W. Derbes
Chairman of the Board
WD-40 Company
President
Signal Ventures

Gary L. Luick
Consultant

Kenneth E. Olson
Investor
Former Chairman & CEO
Proxima Corp.

Garry O. Ridge
President
Chief Executive Officer
WD-40 Company

Gerald C. Schleif
Retired; Former President
& Chief Executive Officer
WD-40 Company

Neal E. Schmale
Executive Vice President & CFO
Sempra Energy

Edward J. Walsh
President
The Sparta Group, Ltd.

Executive Officers

Michael L. Freeman
Division President
The Americas

Geoffrey J. Holdsworth
Managing Director, Asia/Pacific
WD-40 Company (Australia) Pty. Ltd.

Michael J. Irwin
Executive Vice President
Chief Financial Officer

Graham P. Milner
Executive Vice President,
Global Development
Chief Branding Officer

William B. Noble
Managing Director, Europe
WD-40 Company (UK) Ltd.

Garry O. Ridge
President
Chief Executive Officer

Officers

Dr. Ernest Bernarducci, Ph.D
Vice President, Research & Development

Fredrick Goldsmith
Vice President, Marketing

Bob Hoagland
Vice President, Information Technology

Scott Martin
Vice President, Sales (Field)

Rick Morrow
Vice President, Sales (Grocery)

Jay Rembolt
Vice President, Finance/Controller
Principal Accounting Officer

Steven E. Schwab
Vice President, Sales (Strategic)

Patrick Wade
Vice President, Supply Chain and Logistics

49 Where to Find Us

General Counsel

Gordon & Rees LLP
101 W. Broadway, Suite 1600
San Diego, California 92101

Independent Accountants

PricewaterhouseCoopers LLP
750 B Street, Suite 2900
San Diego, California 92101

Transfer Agent & Registrar

Computershare Investor Services, LLC
2 North LaSalle Street
Chicago, Illinois 60602
Phone: 312-588-4180

Annual Meeting

2:00 PM, December 16, 2003
Mission Valley Hilton
901 Camino Del Rio South
San Diego, California 92108
Phone: 619-543-9000

Corporate Brand Support Centre

WD-40 Company
1061 Cudahy Place
San Diego, California 92110
Phone: 619-275-1400

Operating Subsidiaries

WD-40 Company (UK) Ltd.
WD-40 Products (Canada) Ltd.
WD-40 Company (Australia) Pty. Ltd.

Americas Brand Support Centre

WD-40 Company
1061 Cudahy Place
San Diego, California 92110

European Brand Support Centre

WD-40 Company (UK) Ltd.
Brick Close
Kiln Farm, Keynes MK11 3LJ
United Kingdom



Asia/Pacific Brand Support Centre

WD-40 Company (Australia) Pty. Ltd.
Suite 23, 2nd Floor
41 Rawson Street
Epping, N.S.W. 2121
Australia

Listed

Nasdaq National Market System
Symbol: WDFC
Industry Sector: Consumer Goods



Copy of Form 10-K

Beneficial owners may obtain without charge a copy of WD-40 Company's annual report on Form 10-K filed with the Securities and Exchange Commission (SEC) for 2003 by writing to the Corporate Secretary, WD-40 Company, P.O. Box 80607, San Diego, CA 92138-0607.

Corporate information as of November 07, 2003



Nasdaq Market Open September 22, 2003

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Fun Facts About WD-40 Company

(list continued from front cover)

11. Components of the WD-40 can are made individually and then assembled all within the same warehouse.
12. Once mixed (in the vat pictured), the WD-40 concentrate is held in silos until it is shipped.
13. WD-40 Company only mixes the product and then outsources packaging to aerosol packagers around the world.
14. The original WD-40 formula is stored in a bank vault in California. It has been taken out only once for our 50th Anniversary celebration.
15. The size of the can and country of sale determines where it is made.
16. In the 1970s, the Hurricane Carla disaster generated WD-40's first truckload shipments, helping to put WD-40 on the map.
17. Vietnam was the first war where WD-40 was used to clean and lubricate weapons.
18. WD-40 cans use recycled metal.
19. The metal used to manufacture WD-40 cans is shipped in coils weighing over 25,000 pounds each.
20. WD-40 first became famous in the U.K. as a damp engine starter for the famous Morris Mini automobile.
21. WD-40 was the first multi-purpose lubricant spray to be sold in Hong Kong.
22. In 2003, more than 2,000,000 cans of WD-40 were sold in China.
23. In Korea, WD-40 was first used in steel production factories.
24. WD-40 entered the Russian market selling to the auto repair industry.
25. The inspiration for X-14 came about when a car owner used swimming pool water to remove mildew from his vinyl car cover.
26. CEO Garry Ridge took his first WDFC management position in 1987.
27. The "Maniac Pledge" is popular with our employees because it is about taking responsibility.
28. The WD-40 corporate headquarters in San Diego was built in 1973.
29. WD-40's IPO market capitalization in 1973 was \$4,950,000.
30. WD-40 Company did not move to Cudahy Place (San Diego) until 1974.
31. WDFC was ranked #31 on the 200 Best Small Companies of America 2002 issued by *Forbes* magazine.
32. On February 14, 2003, the Company was featured in a segment on *Lou Dobbs Moneyline* on CNN.
33. President and CEO Garry Ridge was also featured in the same *Moneyline* segment as "CEO of the Week."
34. The Canadian subsidiary of WD-40 was established in 1977.
35. The Australian subsidiary of WD-40 was established in 1987.
36. The Solvol brand is 88 years old.
37. In Australia, an unusual use of WD-40 is to clean chicken legs.
38. 3-IN-ONE Oil was invented in 1894 by George W. Cole of New Jersey.
39. Cole was looking for a way to lubricate, rust-proof and clean a bicycle.
40. In 1899, he formed a company, G.W. Cole, which became 3-IN-ONE Oil Company in the early 1900s.
41. 3-IN-ONE Oil was originally sold in green glass bottles.
42. Lava was first developed in 1893 in St. Louis, Missouri.
43. The name "Lava" was chosen to remind users of the volcanic pumice contained in the soap.
44. According to the Arkansas Water Resources Research Center, 2000 Flushes and X-14 are safer on the environment than other common household cleaning products.
45. Soft water will not reduce the effectiveness of 2000 Flushes and X-14 automatic toilet bowl cleaners – it may enhance it.
46. Carpet Fresh No Vacuum contains a carpet protectant that acts like Teflon does on pots and pans.
47. A United States District Court judge, J. Lawrence Irving, served as a Director of WD-40 Company in the early 1980s and also worked part-time manufacturing WD-40 concentrate while waiting to take the California Bar Examination in the 1960s.
48. WD-40 employees who contribute a certain percentage of their salaries to the United Way earn a day off.
49. WD-40 Company now has more than 200 employees worldwide.
50. On Sep. 24, 2003, the Company formally began its 51st year.





RUDDER
CABLE



WD-40 Company

1061 Cudahy Place
San Diego, California 92110
www.wd40.com