at prices established by the franchisor, and to promote diligently the sale and distribution of the franchised products. Packaging materials (bottles, bottle caps cans cartons cases) are obtained from manufacturers approved by the franchisor and other items are purchased in the general market. The franchises are for an indefinite term and are subject to termination upon failure to comply with the provisions of the franchise agreement.

Products are distributed by Pepsi General to retail outlets primarily by trucks operated by Pepsi General route salesmen. Pepsi General owns, leases or sells the vending machines which dispense its soft drink products in factories, offices schools, stores, gasoline stations and other locations. Pepsi General's business is seasonal and weather conditions during the peak summer months have a significant effect on sales.

Competition among soft drinks of all kinds, and particularly in the principal cola drink market (approximately 70% of all soft drinks sold in the United States are colas), is intense and focuses on price to retail outlets.

Despite fluctuations in the prices of high fructose corn sweeteners and materials used in soft drink packaging, Pepsi General has not experienced difficulty in obtaining such items. It is the practice of Pepsi General to protect the availability and pricing of its sweetener requirements through commitments from suppliers for future delivery at the lower of market or guaranteed ceiling prices.

MIDAS

Midas provides automotive exhaust systems, suspension systems and brake services through 2 453 franchised and company-owned Midas shops in the United States Canada, France, Belgium, Austria, Switzerland, Spain, Australia, New Zealand Panama and Mexico Domestic manufacturing plants produce over 1 650 different types of mufflers and 3,150 types of exhaust and tail pipes to service approximately 2,000 makes and models of automobiles.

The principal source of Midas' revenue is derived from its network of franchised and company-owned and operated retail shops. Midas collects an initial franchise fee and receives yearly royalties based upon the franchisee's gross revenues. In addition, Midas generates revenues from the sale of manufactured mufflers and tubing, and from the resale of purchased parts (primarily brakes, shocks and front-end alignment components) to its franchisees. Midas also sells its manufactured exhaust system parts under other brand names to automotive parts distributors, jobbers and automobile accessory stores and its fabricated tube-bending equipment to jobbers and retail installers.

The raw materials and supplies used in Midas products are purchased from many suppliers and the company is not dependent upon any single source for any of its raw materials or supplies.

Competition in the automotive replacement parts business is intensive at both the wholesale and retail levels. Service, convenience, price, and warranty are the primary competitive factors. Midas' warranty of mufflers, brakes and shocks is particularly important to its marketing program. Competitors include automotive service centers of retail chain stores, muffler shops, automotive dealers, gasoline stations and independent repair shops.

HUSSMANN

Hussmann manufactures, sells, installs and services, both domestically and internationally, capital equipment to satisfy the selected needs of supermarkets, convenience and specialty store and commercial refrigeration customers. Product lines include refrigerated display cases, refrigeration systems, storage coolers, evaporators, condensers, customized air conditioning and venting equipment, energy management devices and custom wood products. The dollar amount of firm backlog at December 31 1991 was $141.2 million, compared $139.8 million in 1990 Substantially all such backlog is expected to be filled within one year

Hussmann products are marketed internationally by both company sales personnel and independent distributors.

The principal competitive factors in the sale of Hussmann products are variety, quality and technology, particularly energy conservation.

The raw materials and supplies used in Hussmann products are purchased from many suppliers and Hussmann is not dependent upon any single source for any of its raw materials or supplies.

SEGMENT REPORTING

The Company is engaged in three distinct businesses. Pepsi-Cola and other soft drinks canning and bottling; Midas automotive services, and Hussmann refrigeration systems and equipment. Selected financial information related to the business segments is shown below:

(in millions)	1991	1990	1989
Pepsi General	$1 121 9	$1 041.2	$961 4
Midas	476.0	476.4	433 7
Hussmann	795 4	787 4	788.9
Total	$2,393.3	$2,305.0	$2,184.0

PROPERTIES

Pepsi General's facilities include seven bottling plants, three combination bottling/canning plants and three canning plants. In addition, Pepsi General has 61 distribution warehouses and three storage warehouses. Approximately 15 percent of Pepsi General's production is from leased facilities. Midas operates four manufacturing plants in the U.S Of the plants, three are owned and one is leased. In addition, Midas maintains 11 warehouses in the U.S, five warehouses in Canada, of which two are owned and 14 are leased. At Dec. 31, 1991, Midas operated 117 Midas Muffler Shops in the United States, 35 Midas Muffler Shops in Canada and 135 Midas Muffler Shops in six other foreign countries. Hussmann operates 10 owned and 11 leased manufacturing facilities in the United States, Canada, Mexico, Australia and the United Kingdom. There are five owned and 50 leased branch offices in the United States, Canada, Mexico, Australia and the United Kingdom which sell, install and maintain Hussmann products.

In addition, Whitman engages in a variety of industrial, commercial and residential real estate development activities in the United States.

SUBSIDIARIES

As of March 1, 1992 The following subsidiaries are wholly owned, unless otherwise indicated.

Equities, Inc. (Del.)
Cove Development Corp (Del.)
Whitman Finance Corporation N.V (Netherland Antilles)
Whitman Leasing Inc. (Del.)
Center Corporation (Del.)
T South, Inc. (Ill)
America Improvement Corporation (Ill.)
Properties, Inc. (Ill)
Inverrary Inc (Fl.)
T of Mississippi, Inc. (Miss.)
International Corporation (Del)
Cosmic Enterprises, Inc. (Del)
Cosmic Stores, Inc. (N Y)
Midas Euro, Inc. (Del)
Midas Realty Corporation (Del.)
Midas Properties (Del.)

Muffler Corporation of America (Ill)
LeSilencieux S.A. (France)
Societe Service Estudes. Carex France S.A. (France)
Midas Mufflers (Vic.) Pty Ltd. (Australia)
Midas Australia Pty Ltd. (Australia)
Midas S.A. (Belgium)
Midas Silenciador, S.A. (Spain)
Top Escape (Spain)
Carex Uitlaatcenter N V (Belgium)
Midas International Corporation (Wyo.)
Midas Canada Holdings Ltd. (Canada)
Midas Canada, Inc. (Canada)
Midas Realty Corp of Canada, Inc. (Canada)
Pepsi-Cola General Bottlers, Inc. (Del) (80%)
Genadco Advertising Agency, Inc. (Ill.) (80%)
Kolmar Products Corporation (Wis.) (80%)
Pepsi-Cola General Bottlers of South Bend, Inc. (Ind.) (80%)
Pepsi-Cola General Bottlers of Brookville, Inc. (Ind.) (80%)
Pepsi-Cola General Bottlers of Virginia, Inc. (Va.) (80%)
Pepsi-Cola General Bottlers of Princeton, Inc. (WV) (80%)
Pepsi-Cola General Bottlers of Toledo Inc. (Oh.) (80%)
Pepsi-Cola General Bottlers of Bryan, Inc. (Del.) (80%)
Pepsi-Cola General Bottlers of Dover, Inc. (Oh.) (80%)
Pepsi-Cola General Bottlers of Muncie, Inc. (Del.) (80%)
Pepsi-Cola General Bottlers of Ft Wayne, Inc. (Del.) (80%)
Pepsi-Cola General Bottlers of Lima, Inc. (Del.) (80%)
Pepsi-Cola General Bottlers of Memphis, Inc. (Tenn.) (80%)
Pepsi-Cola Bottling Co of Bloomington, Inc (Del.) (80%)
Pepsi-Cola Bottling Co of Oshkosh, Inc. (Wi.) (80%)
Marquette Bottling Works (Mich.) (80%)
Northern Michigan Vending, Inc. (Mich.) (80%)
Beverage Bottlers, Inc. (Wisc.) (80%)
Four Star Leasing, Inc. (Wisc.) (80%)
Lou Gen Ltd. (Iowa) (80%)
Hussmann Corporation (Mo.)
Krack Corporation (Ill.)
Hussmann Tempcool Holdings PTE Limited (Singapore) (50%)
Design & Build Construction, Inc. (Cal.)
Hussmann Australia Pty Ltd. (Australia)
Whitman International, S.A. (Switzerland)
Whitman Insuance Co. Ltd. (Bermuda)
Whitman Bahamas, Ltd. (Bahama Islands)
Hussmann Canada Holdings, Ltd. (Canada)
Hussmann Canada, Inc.
Hussmann Holdings, Ltd. (Great Britain)
Hussman (Europe) Ltd. (Great Britain)
Hussmann Refrigeration Ltd. (Great Britain)
Craig Nicol Ltd. (Scotland)
Hussmann Mexico S.A. de C.V (Mexico)
American Refrigeration Prod. S.A. (Mexico)
Industrias Frigorificas S.A. de C.V (Mexico)

. The names of certain subsidiaries are omitted because such subsidiaries, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary

MANAGEMENT

Officers

B.S. Chelberg, Chmn. & C.E.O
J.P Fagan, Exec. V.P — Finance
T.L. Bindley, Exec. Vice-Pres.
B.S. Chelberg Exec. Vice-Pres.
F T Westover, Sr V.P & Contr
R.A. Wright, Sr V.P — Human Resources & Administration
L.W Baker, V.P & Treas.
C.H. Connolly, V.P — Corp Affairs & Investor Relations
L.J. Coma, V.P — Taxes
W B Moore, V.P., Sec. & General Counsel
R.B. Werntz, V.P — Benefits & Compensation
K.K. Gannon, Asst. Treas.
G K. Marquart, Asst. V.P — Risk Management
M.D Nelson, Asst. V P — Acctg.
G C. Plebanski, Asst. V.P. — Taxes

Directors

Bruce S. Chelberg
Richard G. Cline
James W Cozad
Pierre S. Du Pont IV
Archie R. Dykes
Helen Galland
C. Jackson Grayson Jr
Walter H. Helmerich, III
Donald P Jacobs
Harold R. Logan
Harry A. Merlo
Charles S. Locke

Auditors: KPMG Peat Marwick.

Investor Relations: Suite 4403, 200 Park Ave., N Y., N Y 10166 (212)972-5530.

Annual Meeting: In May.

No. of Employees: Dec. 31 1991 14,703

No. of Stockholders: Dec. 31 1991 25,089

Address: 3501 Algonquin Road, Rolling Meadows, IL 60008. **Tel.:** (708)818-5000. **Telex:** 206337.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

(in thousands of dollars)

	1991	1990	1989	1988
From continuing operations:				
Sales and revenues	2,393,300	2,305,000	2,184,000	2,023,000
Cost of goods sold	1,555 400	1,513 700	1 450,100	1,327,600
Gross profit	837 900	791,300	733,900	695,400
Selling, general & admin. expenses	548 400	541 700	507,300	453 700
Amortization expense	17,700	17,200	16,200	13,700
Restructuring charge	.	170,800		
Operating income	271,800	61 600	210,400	241 700
Interest expense	(128,600)	(158,700)	(156,200)	(137 600)
Interest income	14,400	62,500	71,500	30,100