

WESTINGHOUSE ELECTRIC CORPORATION

LONG TERM DEBT	Rating	Amount Outstanding	Times Charges Earned		Interest Dates	Call Price	Price Range	
			1981	1980			1981	1980
Debt 5 1/2% 1992	A2	\$91,300,000			A & O 1	101 1/4	56 1/4 - 49 1/4	66 1/4 - 49
Debt 8 1/2% 1995	A2	119,700,000	4.98	9.99	M & S 1	103.375	73 1/4 - 56 1/4	80 - 65 1/4
Bank credit agreement, 1983		300,000,000						
Other subsidiary debt		184,200,000						
CAPITAL STOCK	Par Value	Amount Outstanding	Times Earned per Sh.		Divs. per Sh.	Call Price	Price Range	
			1981	1980			1981	1980
1.80% preferred, B	\$100	160,923 shs.	\$2,721.80	\$2,503.68	\$3.80	\$3.80	44 1/2 - 33 1/4	44 - 37
Common	3.125	85,892,648 shs.	5.10	4.71	1.40	1.40	34 1/2 - 25	32 1/2 - 19

Subject to change; also callable for sinking fund, see text. ¹As reported by Co. on average shares. ²Before extraordinary loss. ³Excluding current portion.

HISTORY

Incorporated in Pennsylvania. Began business as The Westinghouse Electric Co., which was incorporated on Jan. 8, 1886. In 1889, the charter of the Chartiers Improvement Co., which was incorporated in Pennsylvania on Jan. 9, 1872, with a capital of \$50,000, was purchased and the name of Chartiers Improvement Co. was changed to Westinghouse Electric & Mfg. Co. and remained so until changed to present title on May 10, 1945.

Stock of the latter company was exchanged for the stock of The Westinghouse Electric Corp. Subsequently acquired control of various companies, such as Walker Co., Cleveland, Ohio; Bryant Electric Co. and Perkins Electric Switch Mfg. Co., in and before 1900; and various properties in 1915, 1916, 1917 and 1920, described in detail in Moody's 1939 Industrial Manual.

For acquisitions, mergers, etc., in 1932-1960 inclusive, see Moody's 1968 Industrial Manual.

On June 30, 1961, acquired Thermo King Corp., Minneapolis, for 746,667 shares.

In Apr., 1962, acquired radio station WINS, New York for \$10,000,000.

In Apr. 1963, acquired for 132,000 shares, Controls Division of Hagan Chemicals & Controls, Inc. Transaction also involved Hagan same.

In 1966 acquired Coral Ridge Properties, Inc. for 540,119 common shares; DECO Electronics Inc., Virginia; Seven-Up Bottlers of Fairfield County, Conn.; Seven-Up Bottling Co. Inc., Puerto Rico, all with common stock; Radio Station KFWB, Los Angeles by cash.

On July 31, 1969 acquired Hub Electric Co. Inc. for 27,299 common shares (disposed of in 1981).

On Sept. 30, 1969 acquired Seven Up Bottling Co. of Los Angeles, Inc., Seven Up Bottling Co. of San Bernardino, Inc. and 7-Up Bottling Co. of Bakersfield, Inc. through subsidiary, for 499,031 common shares.

On Dec. 22, 1969 acquired C.W. Blakeslee & Sons, Inc., a heavy construction and general contracting business, for 145,161 common shares.

On Jan. 20, 1970, Westinghouse World Investment Corp., subsidiary, acquired 478,466 shares (68%) of capital stock of Ateliers de Constructions Electriques de Charleroi, Belgium, in exchange for \$9,569,000 principal amount of 5% subordinated guaranteed convertible debentures, due 1990 (guaranteed by Company and convertible into Company common stock) (interest reduced to 47.9% in 1977).

On May 11, 1970 acquired Seven Up Bottling Co. of Southern Indiana, Inc. and Seven Up Bottling Co. of Indiana, Inc. for 70,352 common shares.

On Oct. 21, 1970, acquired Ideal School Supply Co. for 67,530 common shares.

On Dec. 23, 1970 merged Longines-Wittnauer Watch Co., Inc. through exchange of 776,822 common shares.

In Sept. 1972, acquired Linguaphone Institute Ltd. for \$9,975,000 cash and notes.

In Dec. 1972, acquired Sterwech BV, Zandam, Holland.

In Feb. 1973, acquired Controlmatic GmbH Nieder-Eschbach, West Germany for \$2,103,093 cash.

In Mar., 1973, Co. sold its domestic major appliance business to White Consolidated Industries, Inc.

On Mar. 6, 1975, increased ownership in Offshore Power Systems, a former joint venture, to 100%.

In Jan. 1976, Co. sold its 45% holding in Framatome, a French nuclear plant builder, for \$25,000,000.

In Mar., 1977, increased ownership in Westinghouse Canada Ltd., subsidiary, from 74% to 93%; increased to 95% in 1982.

In Mar. 1977, acquired EL-CON, a Brazilian company.

In Apr., 1977, Co. sold 415,000 shs. of its equity interest in Ateliers de Constructions Electriques de Charleroi to an unidentified Belgian concern, for undisclosed terms.

In late 1977, Westinghouse Canada Ltd. sold its household appliance company to a newly formed Canadian company.

In Apr. 1978, acquired a 49% joint venture company from Cyprus Mines Corp. for \$48,600,000.

In Nov. 1980, acquired an 80% interest in Home Theater Network, Inc. The agreement provides for acquiring the remaining 20% within the next five years with the aggregate

price to be paid based upon a cash flow formula.

During 1980, Westinghouse Broadcasting Co., Inc. acquired UHF-TV station WTCK in Charlotte, NC and FM stations KODA-FM in Houston and KOAX-FM in Dallas, Tex.

Also in 1980, acquired 22% interest in Silconix, Inc., increased to 42% during 1981.

In Aug., 1981 Westinghouse Broadcasting Co., a wholly-owned subsidiary of Co., acquired Teleprompter Corp. thru a payment of \$646,000,000 (\$38 per Teleprompter com. sh.). Name changed to Group W Cable in 1982.

Radio Consent Decree: For details of consent decree in radio anti-trust suit, see Moody's 1940 Industrial Manual.

S.E.C. Consent Decree: In Aug., 1975, the Securities and Exchange Commission (SEC) filed a Complaint against Westinghouse in federal court alleging that Westinghouse made or failed to correct misleading announcements concerning its major appliance business and purchased its stock for its employee stock plans, in violation of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. On Dec. 23, 1975, Westinghouse consented to the entry of an order, without admitting or denying any of the allegations of the above Complaint, which enjoins Westinghouse, its agents and employees from violations of Section 10(b) and Rule 10b-5.

SUBSIDIARIES & AFFILIATES

Listed below are certain subsidiaries of the company. Remaining subsidiaries and affiliated companies (not listed below), if considered in aggregate as a single subsidiary, would not constitute a significant subsidiary.

Associated Beverage Company, Inc. (Del.)
Breakers, Inc. (Del.)
Bryloc, Inc. (Del.)

Computer and Instrumentation de Puerto Rico (Del.)
Coral Ridge Properties, Inc. (Del.)

ICO de Puerto Rico, Inc. (Del.)
Interruptores, Inc. (Del.)

Longines-Wittnauer, Inc. (N.Y.)
Prolco de Puerto Rico, Inc. (Del.)
Thermo-King Corp. (Del.)

Thermo-King de Puerto Rico, Inc. (Del.)
Tyree Industries, Ltd. (Aust.) (69% owned)
Western Zirconium, Inc. (Del.)

Westinghouse Broadcasting Co., Inc. (Ind.)
Group W Cable (N.Y.)
Westinghouse Canada Ltd. (95% owned) (see alphabetical index)

Westinghouse Controls, Inc. (Del.)
Westinghouse Credit Corp. (Del.) (see separate statements below)

Westinghouse Electric Export Corp. (Del.)
Westinghouse Electric, S.A. (Switzerland)
Westinghouse S.A. (Spain) (75%)

Westinghouse Irish Holdings, Ltd. (Ireland)
Thermo King Europe, Ltd. (Ireland)
Westinghouse International Power

Systems Company, Inc. (Del.)
Westinghouse International Technology Corp. (Del.)

Westinghouse Nuclear International Inc. (Del.)
Westinghouse Nuclear Espanola, Inc. (Del.)

Westinghouse Learning Corp. (Del.)
Westinghouse Overseas Services Corp. (Del.)

Joint Ventures: In Nov. 1972, Co. and Steag AG, of Essen, West Germany, agreed to form a Co., subsequently called Nuclearrennstoff G.m.b.H., to design and manufacture nuclear fuel assemblies for electric generating stations in Europe. Co. said the new Co. will build a plant near Essen and expects to be able to ship fuel assemblies by 1975. Steag produces electricity in West Germany.

In Jan. 1973, Co., Creusot-Loire, and Pechiney-Ugine Kuhlmann, both French metals and manufacturing concerns, formed a joint venture Eurofuel, to make uranium-based fuel for light-water nuclear reactors. Pechiney-Ugine owns 51% of the new concern, Co. owns 35%, and Creusot-Loire 3%. The remaining 11% is held by Framatome, which is 66% owned by Creusot-Loire 30% by Commissariat a l'Energie Atomique and 4% by other French companies.

In Sept. 1973, Co. set up a new nuclear fuel company based in Paris with Metallurgie et Mecanique Nucleaire of Belgium and Eurofuel of France. The new company is called Franco-Belge de Fabrication de Combustible and relies on MMN's deisel plant in Belgium for production. Co. has 8% of the capital in the venture, MMN 24% and Eurofuel 68%. The lat-

ter is itself a subsidiary of Pechiney-Ugine Kuhlmann and Creusot-Loire of France, Co., and Framatome.

In Nov., 1976, the French government controlled atomic energy commission, Electricite de France, a French state-run power company, Framatome, a subsidiary of Creusot-Loire S.A., and Co. formed a joint venture, Commissariat A L'Energie Atomique (CEA) for the study and development of pressurized water reactors.

In Apr. 1981, Co. said it agreed with Sifco Industries, Inc. to form a joint venture to rebuild worn components of jet engines and combustion turbines. The venture, which will be called Sifco Turbine Component Services, will rebuild blades, vanes and other turbine parts at small plants in the U.S. and overseas. Sifco's contribution to the venture will include equipment in plants in Minneapolis and Tampa, Florida and production know-how in turbine component repair. Co. will provide cash and technical and engineering services from its combustion turbine systems division in Concordville, Pennsylvania.

In Sept. 1981, Co.'s Aerospace Division and the Avionics Division of International Telephone and Telegraph Corp. announced a \$81,000,000 defense contract.

Unit Joint Ventures: In 1980 Co.'s Ottermill Ltd. unit in the United Kingdom formed a joint venture with MK Electric Holdings Ltd., also of Great Britain, to manufacture switchgear equipment.

Proposed Joint Venture: In April, 1982, the Mitsubishi Electric Corporation said that it would form a 50-50 joint venture with Co. in June 1982 to produce core parts of gas circuit breakers for use in power plants. The proposed company, to be named the Mitsubishi-Westinghouse S.G.C. Company, will build a factory in Western Japan and start production in April 1983.

BUSINESS & PRODUCTS

Principal business activity is the manufacture and sale of equipment and components for the generation, transmission, distribution, utilization and control of electricity. It is one of the major producers of electrical equipment in the world, although its relative position varies as to particular products.

Co. produces much of the electrical and related mechanical equipment required by power companies, railroads, city transit systems and industrial plants; steam and gas turbines; propulsion and electrical equipment for the United States Navy and the marine industry; electrical and electronic systems, instrumentation and other equipment for the aerospace industry. Westinghouse develops, designs and furnishes nuclear power plant equipment and fuel fabrication for the generation of electricity. The Corporation is an important manufacturer of military products for the United States Government and performs certain research and development work solely for United States Government in two Government-owned facilities. It supplies products to the construction industry, manages rental properties and engages in conventional construction activities, including community and recreation land development and sales.

Co. offers various educational services and materials to schools and develops, sells and administers instruction courses in languages, management and other disciplines. Westinghouse subsidiaries bottle and distribute various soft drink brands in important market areas, and manufacture, assemble and sell wrist watches and other timepieces under the Longines-Wittnauer LeCoultre and Jubilee trade names.

Westinghouse Credit Corp. engages in the extension of credit secured by real or personal property, or both, in consumer goods, industrial equipment, real estate transactions and leasing transactions, including leverage leasing.

Westinghouse Broadcasting Co. owns and operates six television stations located in Baltimore, Boston, Charlotte, Philadelphia, Pittsburgh and San Francisco, and 12 radio stations located in Boston, Chicago, Denver, Fort Wayne, Houston, Los Angeles, New York, Philadelphia and Pittsburgh.

Some products of the Co., such as motors and control devices, are used by other manufacturers as components for their products. In general, Westinghouse's products are sold to customers through main and branch offices of sales organizations of the Co. and, in certain cases, through independent distributors and

dealers. Further, Westinghouse maintains plants and other facilities for the maintenance and repair of equipment of its own manufacture and equipment manufactured by others.

Westinghouse distributes electrical and other products, primarily those manufactured by the Co., outside the United States. This distribution is accomplished primarily through a wholly owned subsidiary and through company representatives and independent distributors. Westinghouse also has a number of other subsidiaries outside the United States, the majority of which are engaged in the manufacture and sale of electrical and consumer products.

The largest single customer of the Co. is the United States Government, whose purchases for defense and other purposes, directly and through subcontractors, accounted for about 15% of the total consolidated sales in 1981. In general, these sales to the United States Government and fees generated through Government-owned Westinghouse-operated facilities are subject to termination and renegotiation procedures prescribed by statute.

In early 1975, the then existing five operating "company-like" units of Westinghouse were reorganized into three such units: Industry Products, Power Systems and Public Systems. The Consumer Products Company was eliminated and its home equipment and lamp divisions were transferred to the Public Systems and Industry Products Companies, respectively. The learning and leisure time activities of the Westinghouse Broadcasting, Learning and Leisure Time Company were transferred to the Public Systems Company. The Westinghouse Broadcasting Co. continues as a separate subsidiary.

The following are the more important products and services of the "company-like" units:

INDUSTRY PRODUCTS CO.

Industry Products Company supplies a variety of products and services to a broad range of customers in the capital goods, industrial, construction and consumer markets. These products range from standard electric motors to sophisticated control systems for such industries as steel, petrochemical, mining, textile, pulp and paper.

Electronics & Control Group manufactures and markets power semiconductors, electronic tubes, solid state controllers and electro-mechanical logic sensing devices and major controllers. It also manufactures process equipment and systems for automating production machinery, including combustion control systems, process computers and computer packages, induction heating, welding equipment, energy management systems, electrified drive systems and inverters and converters.

Industry Equipment Group manufactures and markets motors ranging from fractional horsepower sizes applied to consumer and commercial products to the largest sizes used in steel mills and mining excavation equipment. It also supplies industrial and construction markets with various electrical distribution and control products, including molded case circuit breakers, bus duct, panelboards, switchboards, high-voltage bus and power centers, transfer switches, residential load-centers and specialty transformers.

The products of the Components & Materials Group are indoor and outdoor lighting fixtures, numerous types of consumer, industrial and commercial lamps, commercial lighting, over-the-road refrigeration equipment, nuclear laminates, magnet wire and industrial plastics.

Industry Products also operates a nationwide distribution business through Westinghouse Electric Supply Company. This business unit distributes Westinghouse and other products to a wide range of customers. Industry Products also has an industry services unit to provide project management, installation, start-up, maintenance, service and repair of electrical and mechanical apparatus.

POWER SYSTEMS CO.

Power Systems Company designs, develops, manufactures, sells and installs nuclear energy systems, other electrical power generating apparatus and transmission and distribution equipment for the electric utility industry, the construction industry and large industrial customers who generate or distribute their own electricity. Power Systems also fabricates and sells nuclear fuel and conducts a service business which basically involves the maintenance and upgrading of existing equipment and systems, the sale of spare parts and the installation of power generation equipment. In addition, Power Systems is involved in the development of emerging energy technologies, (much of which is supported by customer funding), mining and co-product extraction of uranium and production of zirconium metal at a new plant which began operations in 1980.

Nuclear Energy Systems Group is responsible for commercial nuclear energy activities and emerging energy technologies. It designs, manufactures and markets commercial nuclear pressurized water reactor systems and components (including steam generators, pressurizers, large pumps, tanks and valves,

and control rod drives) and performs contract maintenance and service on nuclear plants for utilities. It also designs, fabricates and sells nuclear fuel assemblies. Products also manufactured by this Group include alloy tubing for nuclear plant steam generators and zirconium tubing for nuclear fuel rods.

Power Generation Group designs, manufactures and sells equipment used to generate electric power and is involved in the development of synthetic fuels. This Group manufactures steam turbine-generator units rated more than 60 MW and combustion turbine generators. It furnishes renewal and spare parts and, in addition to factory service, provides the field services required to install, maintain and repair power generation products and systems. The Group also manufactures moisture separator reheaters and reactor coolant pump motors for nuclear power plants and provides technology for water desalting evaporators.

Transmission & Distribution Group designs, manufactures and sells transformers, meters and switchgear apparatus, protective and control equipment for electrical transmission and distribution systems. Its transformer products include network and power center units and small substations, medium, instrument, dry-type and certain special transformers, large transformers above 120 Mva, pole-mounted, pad-mounted and underground units. The Group also makes metal-clad and metal enclosed switching and control equipment for generating plants, substations and in-plant distribution systems, network protectors, generator voltage regulators and other specialty devices, large air subtransmission breakers, gas-insulated substations and bus duct for use in transmission substations, lightning arresters, capacitors, reclosers, fuse cut-outs and vacuum circuit breakers for distribution circuit protection. It also produces protective relays, switchboard meters and digital computer systems for power system operation and control. This Group also manufactures meters used for customer billing, load survey equipment and automatic metering equipment.

PUBLIC SYSTEMS CO.

Public Systems Company supplies a wide variety of products and services ranging from office furniture systems to sophisticated defense systems.

Defense Group provides research, development, production and support services for government agencies such as the U.S. Department of Defense, the National Aeronautics and Space Administration, the Federal Aviation Administration, as well as foreign governments and other prime contractors that service these agencies. The Group also manufactures selected products for commercial aircraft and instrumentation and control of nuclear reactors for both military ship propulsion and commercial power generation. The principal businesses of the Defense Group are airborne early warning and control equipment, ground electronic systems, space and information systems, integrated logistics support (both domestic and international), missile launching and handling, and marine heavy equipment.

Construction Group manufactures and sells numerous products, systems and services to the construction market. Products and systems include elevators, escalators, automated people moving systems, train control and propulsion systems for mass transit vehicles, power and industrial fans, and office furniture systems and components. In addition, this Group provides installation and maintenance services for many of these products.

Learning & Leisure Group engages in soft drink bottling operations in California, Indiana, Puerto Rico, Arizona and Nevada. Included within this Group are the Longines-Wittnauer Watch Company, a major manufacturer and distributor of watches and clocks, and Westinghouse Learning Corporation, which provides language learning systems and services worldwide, data processing products and services for use by educational, industrial and government customers and manufactures and sells elementary grade level supplementary teaching materials.

Community Development Group is engaged in land and community development and related activities in Florida and California.

Westinghouse Research Laboratories in suburban Pittsburgh, Pa. employs approximately 1,000 scientists, engineers and support personnel in a broad program of basic and applied research, advanced development, and creative engineering in areas of present and future importance to the Corporation. Some recent results of these efforts include development of nuclear fuels and cladding materials for use in fast breeder reactors, significant innovations in solid state power conditioning, electrochemical energy storage, high power laser technology, coal gasification, solar energy conversion, nuclear waste isolation plants and super-conducting machinery. Investigations are conducted in close cooperation with engineering and development laboratories located at the company's manufacturing plants as well as satellite research operations at West Lafayette, Ind. and Waltz Mill, Pa.

Results By Business Segments, years ended Dec. 31:

	1981		1980	
	(\$ Mil.)	(%)	(\$ Mil.)	(%)
Sales and oper. rev.	3,205.3	34.2	2,998.2	35.2
Power Syst.	3,479.1	37.1	3,227.4	37.9
Industry Prod.	2,527.4	27.0	2,245.2	26.4
Public Syst.	431.9	4.6	266.3	3.1
Other	120.5	1.3	115.4	1.4
Less: Interseg. sales	(396.7)	(4.2)	(338.4)	(4.0)
Total	9,367.5	100.0	8,514.3	100.0
Operating profit:				
Power Syst.	256.1	35.1	272.6	41.8
Industry Prod.	229.1	31.4	218.8	33.5
Public Syst.	180.7	24.8	114.6	17.6
Broadcasting	78.1	10.7	64.4	9.9
Other	(2.0)	(0.2)	(2.2)	(0.3)
Adjust. and elimin.	(13.4)	(1.8)	(16.0)	(2.3)
Segment oper. profit	728.6	100.0	652.2	100.0

PRINCIPAL PLANTS AND PROPERTIES

Company operates approx. 128 manufacturing plants throughout U.S. and Puerto Rico. Manufacturing operations are also conducted in 20 foreign countries with larger facilities in Canada, Spain, Australia, Brazil, West Germany and Ireland.

SUBSIDIARY CREDIT COMPANY

Westinghouse Credit Corp.—Pittsburgh, Pa. Engages in extension of credit in transactions including leverage leasing.

BROADCASTING SUBSIDIARIES

Westinghouse Broadcasting Co. (N.Y.)—Owns and operates 12 radio stations and 6 television stations. AM Radio stations are: KDKA, Pittsburgh, Pa.; KYW, Philadelphia; WBZ, Boston (operated with WBZA, Springfield); WOWO, Fort Wayne, Ind.; WINS, New York; WIND, Chicago and KFWB, Los Angeles. FM Radio stations are: WPNT, Pittsburgh; WBZ, Boston; KODA, Houston; KOAX, Dallas and KJOY, San Diego. Television stations are WBZ-TV, Boston; KDKA-TV, Pittsburgh; WJZ, Baltimore; KPIX, in San Francisco; KYW-TV in Philadelphia and WTCK in Charlotte.

Projected 1982 Capital Expenditures were approx. \$800,000,000 against \$600,000,000 in 1981.

MANAGEMENT

Officers

R.E. Kirby, Chmn. and Chief Exec. Off.
Douglas D. Danforth, Vice Chmn. and Chief Oper. Off.

INDUSTRY PRODUCTS CO.

Edwin V. Clarke, Jr., President
Douglas D. Stark, Exec. Vice Pres.—Components and Mats.
Robert P. Wagner, Exec. Vice Pres.—Industry Equip.
William O. Carlsen, Vice Pres.—Distrib. Products Div.
Gary M. Clark, Vice Pres.—Industry Products Mktg.
Phillips F. Dietz, Vice Pres.—Lamp Div.
Paul E. Lego, Exec. Vice Pres.—Electronics & Control
Glen E. Niefeld, Pres.—Westinghouse Electric Supply Co.
James C. Sheehan, Pres.—Thermo King Corp.
Jack J. Sherman, Vice Pres.—Industry Products Mktg.

POWER SYSTEMS CO.

Gordon C. Hurlbert, President
Albert L. Bethel, Exec. Vice Pres.—Transmission and Distrib.
E.J. Cattabiani, Exec. Vice Pres.—Power Generation
Theodore Stern, Exec. Vice Pres.—Nuclear Energy Sys.
Joseph W. Baker, Vice Pres.—Switchgear Divs.
Nicholas A. Beldecos, Vice Pres.—Power Generation Oper.
Bruce W. Morrison, Vice Pres.—Power Sys. Mktg.
James S. Moore, Vice Pres.—Water Reactor Div.
Harry Weingarten, Vice Pres.—Transformer Div.

PUBLIC SYSTEMS CO.

Thomas J. Murrin, President
William A. Coates, Exec. Vice Pres.—Construction
Roy V. Gavett, Jr., Exec. Vice Pres.—Learning and Leisure
Barton S. Brodtkin, Pres.—Bev. Group
H. Joe Frazer, Pres.—Community Devel.
Donald W. Neukranz, Pres.—Westinghouse Elevator Co.
Harry B. Smith, Exec. Vice Pres.—Defense

INTERNATIONAL

John C. Marous, Jr., President
Thomas N. Humphreville, Pres.—Latin America
Clovis F. Obermeyer, Pres.—Asia-Pacific
Chester A. Sadlow, Pres.—Europe, Africa and Middle East
Frank H. Tyaack, Pres.—Westinghouse Canada, Inc.

WESTINGHOUSE BROADCASTING CO.

Daniel L. Ritchie, Chmn. & Pres.