1992

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J-Z

COVERING NEW YORK
& AMERICAN
STOCK EXCHANGES

MOODY'S®

INDUSTRIAL MANUAL

Moody's Investors Service

a company of
The Dun & Bradstreet Corporation

SEE FOLLOWING PAGE FOR COMPLETE LIST OF OFFICES

VOTING RIGHTS — Entitled to one vote per share.
PREEMPTIVE RIGHTS — None.
OFFERED — (9,200,000 shs.) at $17 per share (proceeds to Co., $15.95 per share) on July 1, 1992 thru Donaldson, Lufkin & Jenrette Securities Corp., Bear, Stearns & Co. Inc. and associates. Proceeds, together with other funds, used to redeem notes, and preferred stock, and pay financing and transaction cost of the recapitalization. Offering contained an over-allotment option of up to 700,000 additional shares.
TRANSFER AGENT & REGISTRAR — First Wisconsin Trust Co.
LISTED — On NYSE (Symbol: REX).

Recapitalization Plan: Co. is implementing a recapitalization plan (the "Recapitalization") designed to increase stockholders' equity, reduce indebtedness and interest expense, eliminate all outstanding classes of Preferred Stock of Co. (the "Preferred Stock") and the related dividend requirements and improve Co.'s operating and financial flexibility. The principal source of funds for the recapitalization are (i) the offering of shares of Common Stock (the "Common Stock Offering"); (ii) the public offering (the "Debt Offering") of $172,500,000 aggregate principal amount of Senior Notes due 2002 (the "Senior Notes"); (iii) an increase in the amount of borrowings available under the Amended Credit Agreement; and (iv) the exchange (the "Fairchild Exchange") of all shares of Preferred Stock (the Fairchild Preferred Stock") owned by Rexnord Holdings Inc. ("RHI") for shares of the Common Stock. RHI and Banner Investments Inc. ("BII") are subsidiaries of The Fairchild Corp. ("Fairchild," and together with RHI and BII, the "Fairchild Group.").

The proceeds of the Recapitalization (estimated at approximately $454 million) will be used to: (i) retire Co.'s outstanding 13 5/8% Senior Subordinated Notes due 1998; (ii) redeem (the "Preferred Stock Redemption") the outstanding shares of Preferred Stock held by persons and entities other than the Fairchild Group (the "Other Preferred Stock"); (iii) retire the Fairchild Preferred Stock by effecting the Fairchild Exchange; and (iv) pay financing and transaction costs of the Recapitalization. In connection with the Recapitalization, Co. expects to record an after-tax extraordinary charge to earnings of approximately $30.1 million related to the retirement of the Old Notes and the amendments of the Existing Credit Agreement. Such charge will be incurred in the period in which the Recapitalization in consummated.

As part of the Recapitalization, on Apr. 27, 1992, Co. commenced a tender offer (the "Tender Offer") for the Old Notes, which provided for a net cash payment by Co. of $1,090 (plus accrued interest) for each $1,000 principal amount of the Old Notes tendered to Co. (which included an early tender fee of $30 per $1,000 principal amount of Old Notes tendered prior to May 22, 1992 (the "Early Tender Deadline") and accepted payment. As of June 30, 1992, $221 million in aggregate principal amount iof the Old Notes have been tendered to Co. and not withdrawn, all of which tendered prior to the Early Tender Deadline. The Tender Offer is currently scheduled to expire on July 6, 1992, although Co. expects to extend it until July 8, 1992, the day prior to the expected closing date of the Common Stock Offering and the Debt Offering (collectively, the "Offerings"). In addition, prior to the completion of the Recapitalization, certain shares of preferred stock issued to BII by Rexnord Corp. will be redeemed.

REYNOLDS METALS COMPANY

History: Incorporated in Delaware July 18, 1928 with a perpetual charter, and acquired the foil business and operating assets of United States Foil Co. In Aug., 1928 purchased entire capital stock of Robertshaw Thermostat Co., incorporated 1914; also acquired control of Fulton Sylphon Co., incorporated 1926.

Note: For acquisitions and dispositions, etc., prior to 1983 see Moody's 1989 Industrial Manual.

In Dec. 1983, purchased Consolidated Aluminum Corp.'s Plant Complex.

In early 1980, Co. sold 51% of its Jamaican mining assets and operations and all of its land holdings in Jamaica to Jamaican government.

In January 1988 acquired baking cup assets of Fluted Paper Products Company.

On May 31, 1988, acquired Presto Products, Inc.

On June 30, 1988, acquired Mt. Vernon Plastics Corp.

On Mar. 10, 1989, acquired Conductor Products Inc.

On Mar. 30, 1989, sold interest in Alumina Partners of Jamaica.

In 1990, acquired remaining interest in can facility in Austria.

In 1990, acquired 75% interest in aluminum wheel plant in Ontario, in partnership with Lemmerz Canada, Inc.

In Feb. 1991, acquired Mawson Pacific Limited, an Australian gold producer.

Joint Venture: In Dec. 1989, Reynolds International Inc., a subsidiary of Co. announced that it is entering a joint venture with the Fata European Group of Italy and a group of U.S.S.R. organizations to build a $200,000,000 aluminum foil production and converting operation in Sibreia. Under the agreement, a combine of six U.S.S.R. organizations will own 70% of the new facility. Reynolds International and The Fata European Group, which is headquartered in Turin, each will hold a 13.5% interest in the plant. The remaining three percent will be held by the San Paolo Bank of Italy.

Business: Co. is a producer of metals and other materials through its worldwide operations. Company's core business is an integrated producer of a wide variety of added-value aluminum products. Reynolds also produces a broad range of plastic products. Reynolds' largest market is containers and packaging, which includes consumer products.

Reynold's entered the precious metals business in 1986 as a gold producer, owns one gold mining operation, has interests in two other gold mining operations and is working to expand this area.

Company has separated its vertically integrated operations into two areas, (1) Production and Processing and (2) Finished Products and Other Sales.

Production and Processing includes the refining of bauxite into alumina, calcination of petroleum coke and production of prebake carbon anodes, all of which are vertically integrated with aluminum production and processing plants. These plants produce and sell primary and reclaimed aluminum and a wide range of semifinished aluminum mill products, including flat rolled products, extruded and drawn products and other aluminum products. Production and Processing also includes the sale of gold, nonaluminum products, technology and various licensing, engineering and other services related to the production and processing of aluminum.

Finished Products and Other Sales includes the manufacture and distribution of various finished aluminum products, including cans, flexible packaging products, containers, food service and household foils (including REYNOLDS WRAP), laminated and printed foil, and aluminum building products. Finished Products and Other Sales also includes the sale of plastic bags and food wraps (including REYNOLDS PLASTIC WRAP, REYNOLDS CRYSTAL COLOR PLASTIC WRAP, REYNOLDS SURE-SEAL and QWIK-SEAL Reclosable food storage bags), plastic lidding and container products, plastic film packaging, REYNOLDS MICROWAVE WRAP, REYNOLDS Freezer Paper, REYNOLDS BAKER'S CHOICE baking cups, and REYNOLDS, CUT-RITE wax paper, composite and nonaluminum building products and printing cylinders and machinery.

Properties: Co. operates or has interest in the following facilities (among others) located as follows:

Arkansas	Texas
Louisiana	New York
Oregon	Washington
Alabama	Michigan
Virginia	Illinois
California	Kentucky
Connecticut	Nevada
Pennsylvania	Utah
Puerto Rico	Wisconsin
Florida	Hawaii
North Carolina	Georgia
Indiana	Ohio
Missouri	Canada
Germany	Italy
Netherlands	Belgium
Austria	Ireland
Australia	France
Brazil	Columbia
Egypt	Ghana
Guinea	Guyana
Philippines	Spain
Venezuela	

Also operates in the United States: 700 consumer recycling locations, 40 recycling processing plants, 44 building products distributors, 25 metal service centers, 12 real estate development projects, and 8 research facilities.

Subsidiaries & Associated Companies

Set forth below is a list of the subsidiaries and associated companies of Reynolds Metals Company.

[1]Alreco Metals, Inc. (Del.)
[1]Aluminio Reynolds de Venezuela, S.A. (Venezuela)
Aluminum Europe, S.A. (Belgium).
Aluminum Oxid Stade Gesellschaft mit beschrankter Haftung (Germany)
Austria Dosen Gesellschaft mbh. & Co. KG (Austria)
[1]Canadian Reynolds Metals Co., Limited — Societe Canadienne de Metaux Reynolds, Limitee (Quebec)
[1]Conductor Products Incorporated (Del.)
[1]El Campo Aluminum Co. (Del.)
Hamburger Aluminium-Werk Gesellschaft mit beschrankter Haftung (West Germany)
[1]Industria Navarra del Aluminio, S.A. (Spain)
[1]Latas de Aluminio Reynolds, Inc. (Del.)
Latas de Aluminio, S.A. (Brazil)
[1]Malakoff Industries, Inc. (Tex.)
Manicouagan Power Co. — La Compagnie Hydroelectrique Manicouagan (Quebec)
[1]Mt. Vernon Plastics Corp. (Del.)
Pechiney Reynolds Quebec (Nebraska)
[1]RB Sales Co., Ltd. (Del.)
[1]Reymet Insurance Company Limited (Bermuda)
[1]Reynolds Aluminium Deutschland, Inc. (Del.)
[1]Reynolds Aluminium France (France)
[1]Reynolds Aluminium Holland B.V. (Netherlands)
[1]Reynolds Aluminium Deutschland Internationale Vertriebsgesell-Schaft mbH (Germany)
[1]Reynolds Aluminum Recycling Co. (Missouri)
[1]Reynolds Australia Alumina, Ltd. (Del.)
[1]Reynolds Australia Metals, Ltd. (Del.)
[1]Reynolds Bacancour, Inc. (Del.)
[1]Reynolds Consumer Europe, S.A. (Belgium)
[1]Reynolds Consumer Products, Inc. (formerly Presto Products, Inc.) (Del.)
[1]Reynolds Energy Resources Corp. (Del.)
[1]Reynolds (Europe) Limited (Del.)
[1]Reynolds of Hawaii, Inc. (Del.)
[1]Reynolds International, Inc. (Del.)
[1]Reynolds International, (Panama) Inc. (Panama)
[1]Reynolds Kansas City Can Co. (Del.)
[1]Reynolds-Lemmerz Industries (Ontario)
[1]RMC Holdings, Inc. (Del.)
[1]RMC Properties Ltd. (Del.)
Reynolds Metals Development Co. (Del.)
[1]Reynolds Metals European Capital Corp. (Del.)
[1]Reynolds Seattle Can Co. (Del.)
[1]Societa Lavorazioni Industriali Metalli S.p.A. (Italy)
[1]Societa per Azioni Fonderpress (Italy)
[1]Southeast Vinyl Company (Del.)
[1]Southern Gravure Service, Inc. (Kentucky)
[1]Southern Reclamation Co., Inc. (Del.)

The names of a number of subsidiaries and associated companies have been omitted because considered in the aggregate they would not constitute a significant subsidiary.

[1]Consolidated subsidiaries.

Officers

W.O. Bourke, Chmn. & C.E.O.
R.G. Holder, Pres. & C.O.O.
J.H. Taylor, V.P. & Treas.
D.C. Bilsing, V.P. & Contr.
D.T. Cowles, V.P., Gen. Counsel & Sec.

Executive Vice-Presidents

Y.M. Brandt	R.N. Reynolds
J.J. Sheehan	H.V. Helton

Vice-Presidents

J.R. McGill	J.F. Awad
J.W. Wagner	D.M. Jerrold
N.D. Triano	J.M. Lowrie
R.L. Waldrop	C.S. Thomas
H.S. Savedge, Jr.	W.G. Reynolds, Jr.
J.M. Noonan	R.E. Hanneman

Directors

W.O. Bourke	Y.M. Brandt
R.B. Crowl	J.K. Finlayson
T.A. Graves, Jr.	G. Greenwald
J.R. Hall	R.L. Hintz
R.G. Holder	H.R. Linden
D.P. Reynolds	R.N. Reynolds
C.A. Sanders	R.S. Thomas
R.J. Vlasic	J.B. Wyatt

Auditors: Ernst & Young.

Shareholder Relations: Carol L. Dillon, Supervisor, Corp. Sec. Office. **Tel.:** (804)281-2812.

Annual Meeting: In April.

No. of Employees: Dec. 31, 1991, 30,900.

No. of Stockholders: Dec. 31, 1991, 11,742.

Address: 6601 West Broad Street, P.O. Box 27003, Richmond, VA 23230. **Tel.:** (804)281-2000. **Fax:** (804)281-3740. **Telex:** 4427015.

Consolidated Income Account, years ended Dec. 31 ($000):

	1991	1990	1989
Net sales	5,730,100	6,022,400	6,143,100
Eq, int & other inc	54,400	53,300	68,000
Total revenues	5,784,500	6,075,700	6,211,100
Cost of prods sold	4,760,200	4,823,400	4,775,900
Sell, admin & genl exps	378,000	370,100	364,100
Prov for deprec & amort	265,100	214,200	199,800
Int-princip on lg-tm oblig	160,900	96,100	113,000
Prov for estimated environmental costs	......	dr150,000	......
Total costs & exps	5,564,200	5,653,800	5,452,800
Inc bef income taxes	220,300	421,900	758,300
Taxes on income	66,200	125,300	225,600
Net income	154,100	296,600	532,700
Prev retained earns	2,156,600	1,966,500	1,532,100
Dividends	106,800	106,500	98,300
Retained earns	2,203,900	2,156,600	1,966,500
Earn com sh:			
Primary	$2.60	$5.01	$9.20
Fully diluted	......	......	$9.06
Common shares (000):			
Year-end	59,607	59,494	59,330
Average:			
Primary	59,300	59,100	57,900
Fully diluted	......	......	59,000

Consolidated Balance Sheet, as of Dec. 31 ($000):

Assets:	1991	1990
Cash & sh-tm invests	67,000	89,500
Total receivables	819,700	853,800
Inventories	834,000	821,900
Prepaid expenses	59,300	50,400
Total current assets	1,780,000	1,815,600
Unincorpd jt ventures & assoc cos	832,600	803,400
Net prop, plant & equip	3,254,100	3,139,800
Defer chrgs & other assets	818,600	768,300
Total assets	6,685,300	6,527,100
Liabilities:		
Accts pay, accrued & other liab	774,400	867,700
Indebtedness	242,000	106,200
Total current liabil	1,016,400	973,900
Long-term debt	1,854,300	1,741,500
Deferred taxes on income	404,800	424,200
Other liabilities	449,700	459,100
Common stock	[1]742,000	[1]734,200
Retained earnings	2,203,900	2,156,600
Cum currency transl adj	cr14,200	cr37,600
Total stkhldrs' equity	2,960,100	2,928,400
Total liabil & stk eq	6,685,300	6,527,100
Net current assets	763,600	841,700
Book value	$49.66	$49.22

[1]No par value; Auth shs: 1991 200,000,000 ; 1990 200,000,000

Long Term Debt: 1. Reynolds Metals Co. debenture 9s, due 2003:

Rating — Baa1

AUTH — $100,000,000; outstg. Dec. 31, 1991, $100,000,000.
DATED — Aug. 15, 1991. DUE — Aug. 15, 2003.
INTEREST — F&A 15 to holders registered J&J 1.
TRUSTEE — Bank of New York.
DENOMINATION — Fully registered, $1,000 or any multiple thereof. Transferable and exchangeable without service charge. The debentures will be issued as book-entry debentures and will be represented by a permanent global debenture or debentures. Each permanent global debenture representing book-entry debentures will be deposited with, or on behalf of, The Depository Trust Co., as U.S. Depositary, located in the borough of Manhattan, The City of New York, and will be registered in the name of the Depositary or a nominee of the Depositary. Beneficial interests in book-entry debentures will be shown on, and transfers thereof will be effected only through, records maintained by the Depositary's participants. Owners of beneficial interests in such permanent global debentures will not be entitled to receive physical delivery of debentures in definitive form and will not be considered the holders thereof and no permanent global debenture representing book-entry debentures will be exchangeable, except for a permanent global debenture of like denomination to be registered in the name of the Depositary or its nominee.
CALLABLE — Not callable prior to maturity.
PUT RIGHTS OF HOLDERS — In the event that there occurs at any time prior to Aug. 15, 2003 both (a) a designated event with respect to Co. and (b) a rating decline, each holder of the debentures shall have the right, at the holder's option, to require Co. to purchase all or any part of such holder's debentures on the date that is 100 days after the last to occur of public notice of the designated event and the rating decline, at 100% of the principal amount thereof, plus accrued interest to the repurchase date.
On or before the twenty-eighth day after the last to occur of public notice of the designated event and the rating decline, Co. is obligated to notify the trustee of such events, and promptly thereafter to mail, or cause to be mailed, to all holders of record of the debentures a notice regarding the designated event, the rating decline and the repurchase right. The notice shall state the repurchase date, the date by which the repurchase right must be exercised, the applicable price for such debentures and the procedure which the holder must follow to exercise this right. Co. shall cause a copy of such notice to be published in an English language newspaper of general circulation in the borough of Manhattan, the City of New York. To exercise this right, the holder of such debenture must deliver at least ten days prior to the repurchase date written notice to Co. of the holder's exercise of such right, together with the debenture with respect to which the right is being exercised, duly endorsed for transfer. Such written notice shall be irrevocable.
SECURITY — Not secured. Co. may not, nor may it permit any of its consolidated subsidiaries to, create, incur, assume or suffer to exist any lien securing any non-securable obligations upon any of its principal properties or upon any stock or indebtedness of any subsidiary which owns principal properties without in any such case effectively providing that the securities of each series then outstanding are secured equally and ratably with such secured non-securable obligations, so long as such secured non-securable obligations are so secured, unless, after giving effect thereto, the aggregate amount of all such secured non-securable obligations plus all attributable debt, without duplication, of Co. and its consolidated subsidiaries in respect of sale and leaseback transactions would not exceed 10% of consolidated net tangible assets. The foregoing restrictions do not apply to non-securable obligations secured by specified types of liens.
SALE AND LEASEBACK — Co. may not, nor may it permit any of its consolidated subsidiaries to, enter into any sale and leaseback transaction with any bank, insurance company or other lender or investor or to which any such lender or investor is a party for a period, including renewals, in excess of three years of any principal property which has been or is to be sold or transferred, more than 180 days after the completion of construction and commencement of full operation thereof, by Co. or any consolidated subsidiary to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such principal property unless (a) Co. or such consolidated subsidiary could create indebtedness secured by a lien on the principal property to be leased back in an amount equal to the attributable debt with respect to such sale and leaseback transaction without equally and ratably securing the securities of each series, or (b) Co. or such consolidated subsidiary within 180 days after the sale or transfer applies an amount equal to the greater of (i) the net proceeds of the sale of the principal property sold and leased back pursuant to such arrangement or (ii) the fair market value of the principal property so sold and leased back at the time of entering into such arrangement to the retirement of funded debt of Co. or such consolidated subsidiary; provided, that the amount to be applied to the retirement of funded debt of Co. or such consolidated subsidiary will be reduced by (x) the principal amount of any securities delivered within 180 days after such sale to the trustee for retirement and cancellation, and (y) the principal amount of funded debt, other than securities, voluntarily retired by Co. or such consolidated subsidiary within 180 days after such sale.
INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debs. outstg.
RIGHTS ON DEFAULT — Trustee, or 25% of debs. outstg., may declare principal due and payable (30 days' grace for payment of interest).
PURPOSE — Proceeds will be used for general corporate purposes, including refinancing outstanding indebtedness of Co.
OFFERED — ($100,000,000) at 100 plus accrued interest (proceeds to Co., 99.300) on Aug. 12, 1991 thru Goldman, Sachs & Co., Merrill Lynch & Co. and associates.
PRICE RANGE — 1991, 109⅛-99⅞

2. Reynolds Metals Co. debenture 9⅜s, due 1999:

Rating — Baa1

AUTH. — $100,000,000; outstg. Dec. 31, 1991, $99,800,000.
DATED — June 15, 1989. DUE — June 15, 1999.
INTEREST — J&D 15 to holders registered J&D 1.
TRUSTEE — The Bank of New York.
DENOMINATION — Fully registered, $1,000 or any multiple thereof. Transferable and exchangeable without service charge.
CALLABLE — Not callable prior to maturity.
PUT RIGHTS — In the event that there occurs at any time prior to June 15, 1999 both (a) a designated event with respect to Co. and (b) a rating decline, each holder of the debentures shall have the right, at the holder's option, to require Co. to purchase all or any part of such holder's debentures on the date that is 100 days after the last to occur of public notice of the designated event and the rating decline, at 100% of the principal amount thereof, plus accrued interest to the repurchase date.
On or before the twenty-eighth day after the last to occur of public notice of the designated event and the rating decline, Co. is obligated to notify the trustee of such events, and promptly thereafter to mail, or cause to be mailed, to all holders of record of the debentures a notice regarding the designated event, the rating decline and the repurchase right. The notice shall state the repurchase date, the date by which the repurchase right must be exercised, the applicable price for such debentures and the procedure which the holder must follow to exercise this right. Co. shall cause a copy of such notice to be published in an English language newspaper of general circulation in the borough of Manhattan, the City of New York. To exercise this right, the holder of such debenture must deliver at least ten days prior to the repurchase date written notice to Co. of the holder's exercise of such right, together with the debenture with respect to which the right is being exercised, duly endorsed for transfer. Such written notice shall be irrevocable.
SECURITY — Not secured. Co. may not, nor may it permit any of its consolidated subsidiaries to, create, incur, assume or suffer to exist any lien securing any non-securable obligations upon any of its principal properties or upon any stock or indebtedness of any subsidiary which owns principal properties without in any such case effectively providing that the securities of each series then outstanding are secured equally and ratably with such secured non-securable obligations, so long as such secured non-securable obligations are so secured, unless, after giving effect thereto, the aggregate amount of all such secured non-securable obligations plus all attributable debt, without duplication, of Co. and its consolidated subsidiaries in respect of sale and leaseback transactions would not exceed 10% of consolidated net tangible assets. The foregoing restrictions do not apply to non-securable obligations secured by specified types of liens.
SALE AND LEASEBACK — Co. may not, nor may it permit any of its consolidated subsidiaries to, enter into any sale and leaseback transaction with any bank, insurance company or other lender or investor or to which any such lender or investor is a party for a period, including renewals, in excess of three years of any principal property which has been or is to be sold or transferred, more than 180 days after the completion of construction and commencement of full operation thereof, by Co. or any consolidated subsidiary to such lender or investor or to any person to whom funds have been or are to be advanced by such lender or investor on the security of such principal property unless (a) Co. or such consolidated subsidiary could create indebtedness secured by a lien on the principal property to be leased back in an amount equal to the attributable debt with respect to such sale and leaseback transaction without equally and ratably securing the securities of each series, or (b) Co. or such consolidated subsidiary within 180 days after the sale or transfer applies an amount equal to the greater of (i) the net proceeds of the sale of the principal property sold and leased back pursuant to such arrangement or (ii) the fair market value of the principal property so sold and leased back at the time of entering into such arrangement to the retirement of funded debt of Co. or such consolidated subsidiary; provided, that the amount to be applied to the retirement of funded debt of Co. or such consolidated subsidiary will be reduced by (x) the principal amount of any securities delivered within 180 days after such sale to the trustee for retirement and cancellation, and (y) the principal amount of funded debt, other than securities, voluntarily retired by Co. or such consolidated subsidiary within 180 days after such sale.
INDENTURE MODIFICATION — Indenture may be modified, except as provided, with consent of 66⅔% of debs. outstg.
RIGHTS ON DEFAULT — Trustee, or 25% of debs. outstg., may declare principal due and payable (30 days' grace for payment of interest).
PURPOSE — Proceeds to be used for general corporate purposes.
OFFERED — ($100,000,000) at 99.750 plus accrued interest (proceeds to Co., 99.075) on June 6, 1989 thru Goldman, Sachs & Co., Merrill Lynch Capital Markets and associates.
PRICE RANGE — 1991, 111⅛-98⅞

3. Reynolds Metals Co. Med.-term notes, 9 mos. to 30 yrs.:

Rating — Baa1

AUTH — $250,000,000; outstg. Dec. 31, 1991, $846,500,000.
DATED — 1989 DUE — 9 mos. to 30 yrs.
INTEREST — M&N 15 and at maturity.
DENOMINATION — Fully registered, $100,000 and any multiple of $1,000. Transferable and exchangeable without service charge.
CALLABLE — Not callable prior to their stated maturity.
OFFERED — ($250,000,000) at 100 (proceeds to Co., 99.875-99.250) on Apr. 11, 1989 thru Goldman, Sachs & Co., Merrill Lynch Capital Markets and associates.

4. Other Debt: Outstg. Dec. 31, 1991, $880,100,000 comprising:
(1) $306,600,000 term loan agreement.
(2) $224,700,000 industrial and environmental control revenue bonds.
(3) $176,700,000 mortgage and other notes payable.
(4) $150,000,000 bank credit agreement.
(5) $22,100,000 commercial paper.
The bank credit agreement bears interest at variable rates (5.3% at Dec. 31, 1991) and requires principal repayment beginning in 1993 until final maturity in late 1997.
At Dec. 31, 1991, $22,100,000 of commercial paper was outstanding at an average rate of 5.3%. The commercial paper is classified as long-term debt since it is Co.'s intent (supported by $200,000,000 in revolving credit facilities) to refinance the debt on a long-term basis. Co. has an additional $280,000,000 in revolving credit facilities, of which $250,000,000 expire in 1993.
Certain of Co.'s financing arrangements contain restrictions which, among other things, require maintenance of certain financial ratios.

Capital Stock: Reynolds Metals Co. common no par:

AUTH. — 200,000,000 shares; outstanding Dec. 31, 1991, 59,606,960 shares; reserved for options, 5,859,856 shares; no par.
Par changed from no par to $1 Sept. 15, 1955 by 5-for-1 split; from $1 to no par Oct 13, 1959, by 3-for-2 split. No par shares split 2-for-1 May 15, 1987.
Original capital stock represented by class A and B no par common shares was converted in October 1929 into one class of common stock (no par) and class A received in exchange 1¾ shares of common for each share held while the class B common was exchanged on a share for share basis.
DIVIDENDS PAID — (in $)

(No par class A shares)

1928	1.00	1929	3.41

(No par class B shares)

1928-29	Nil

(No par common shares)

1929	0.35½	1930	2.20	1931	1.75
1932	1.25	[1]1933-36	1.00	1937	1.00
1938	0.15	1939	Nil	1940	0.30
1941	Nil	1942	0.50	1943-44	0.75
1945	1.00	1946	0.75	[2]1947	1.00
[2]1948	1.35	1949	1.10	[2]1950	1.20
1951	1.10	[2]1952-53	1.00	[2]1954	1.50
[2]1955	1.62½				

($1 par common shares)

1955	0.12½	[2]1956-58	0.65	1959	0.52½

(On no par shares after 3-for-2 split)

1959	0.12½	1960-64	0.50	1965	0.73¾
1966	0.78¾	1967-68	0.90	1969	0.95
1970	1.10	1971	0.85	1972	0.45
1973	0.40	1974-75	1.00	1976	1.10
1977	1.35	1978	1.57½	1979	2.00
1980	2.25	1981	2.40	1982	1.75
1983-85	1.00	1986	1.00	1987	0.55

(On no par shares after 2-for-1 split)

[3]1987	0.15	1988	1.05	1989	1.70
1990-91	1.80	[4]1992	0.45		

[1]Plus 25% stock in 1934 and $1 per share in 15-year debenture 3½s, 1951 paid in 1936.
[2]Stock dividends paid: 1947, 1948, 1950 and 1952, 10%; 1953, 1954 and 1955, 5%; 1958, 2%.
[3]Plus rights distribution. See below.
[4]To Apr. 1.

DIVIDEND LIMITATION — See Long Term Debt.
VOTING RIGHTS — Has sole voting rights (one vote per share) with restrictions (see Preferred No. 1).
PREEMPTIVE RIGHTS — None.
OFFERED — On July 6, 1937, the unsubscribed portion of shares originally offered to stockholders was offered publicly at $17 per share by Lehman Bros. and Reynolds & Co., New York.
(1,500,000 no par shs.) at $38.50 per sh. on June 29, 1977 thru Dillon, Read & Co., Inc., Goldman Sachs & Co., Reynolds Securities, Inc. and associates. Proceeds for general corporate purposes.
DIVIDEND DISBURSING AGENT — Chase Manhattan Bank, New York.
TRANSFER AGENT & REGISTRAR — Chase Manhattan Bank, New York.
LISTED — On NYSE (Symbol: RLM); unlisted trading on Pacific, Philadelphia, Cincinnati and Midwest Stock Exchanges.

PRICE RANGE —	1991	1990	1989	1988	19[illegible]
High	65⅜	70	62¾	58	61[illegible]
Low	46	48½	49	34	20[illegible]

Preferred Stock Purchase Rights: In Nov. 1987, Co.'s board of directors declared a dividend distribution of one pfd. stock purchase right for each outstg. share of Co. com. stock effective Dec. 1.

Initially the rights will not be exercisable or in physical form. The privilege of entitlement will trade with the com. stock. However, should a person or group (i) acquire 20% or more of Co.'s shares or (ii) announces an offer to acquire 30% or more of the shares, the rights will become exercisable on the earlier of 15 days after (i) or 10 business days after (ii) and separate certificates representing the rights will be distributed. At that time, the rights could begin to trade independently from Co.'s shares.

If the rights become exercisable, a holder will be entitled to buy from Co. 1/100th of a share of jr. participating stock, ser. A of Co. for $125. If Co. is involved in a merger or other business combination at any time after the rights become exercisable, the rights will be modified so as to entitle a holder to buy a number of the acquiring company's com. shares having a market value of twice the exercise price of each right. If a 20% holder acquires Co. by means of a reverse merger in which Co. and its shares survive, or engages in self dealing transactions with Co., each right not owned by the acquiror would become exercisable for the number of shares of the corporation's com. stock which at that time have a market value of two times the exercise price of that right.

The rights will expire on Dec. 1, 1997. The rights may be redeemed by Co. for $0.05 per right prior to the 15th day after a public announcement that 20% or more of the shares of com. stock have been acquired.

LISTED — On New York Stock Exchange.

REYNOLDS & REYNOLDS CO.

History: Co. founded in 1866.

In Oct. 1971, acquired Dealer-Management Analysis Corp., Birmingham, Ala. (liquidated in 1973).

In Aug. 1972 acquired Computer Systems Corp., Denver, Colo. (liquidated in 1973).

On Dec. 31, 1972 acquired World Wide Time-Sharing, Inc. for 21,668 cl. A com. shs.

On Oct. 1, 1973, Co. acquired Diversified Online Computing, Inc. for 31,500 cl. A com. shs. plus additional 21,000 cl. A com. shs. held in escrow pending the realization of certain sales levels in fiscal 1976.

In July 1978, acquired Data Systems Corp. for $2,130,000.

On Oct. 1, 1979, acquired the business and certain assets of Accumation Inc. for $6,000,000.

On Jan. 2, 1980, acquired the remaining 30% of ReyZon Computers from Zonic Technical Laboratories Inc. for $1,300,000.

On June 9, 1981 incorporated in Ohio Reyna Financial Corporation, a wholly owned subsidiary.

On Nov. 2, 1981 incorporated in Ohio Reyna Leasing Corporation, a subsidiary of Reyna Financial Corporation.

On Feb. 14, 1983 incorporated in Delaware Reynolds and Reynolds (Australia) Limited, a wholly owned subsidiary.

On Jan. 1, 1983 formed Sligos and Reynolds, S.A., France. (51% ownership)

On July 12, 1983 incorporated in Delaware Reynolds and Reynolds (South Africa) Limited. (sold in 1988).

On Jan. 1, 1986, acquired 100% ownership of Sligos and Reynolds, S.A., France. Name changed to Reynolds and Reynolds S.A.

On May 30, 1986, acquired The Arnold Corp. for $110,000.

In Dec. 1, 1986, acquired National Medical Computer Services, Inc.

In 1987, Co. acquired Beri S.A., France.

On Mar. 31, 1989, Reynolds and Reynolds S.A. merged into Beri S.A. Name was changed to Reynolds & Reynolds S.A.

Business: Co. operates in two business segments, Business Forms and Computer Systems.

The Business Forms segment manufactures and distributes printed business forms and systems, custom continuous and snap out forms, computer stock forms, specialty printed products and forms management services to automotive, professional, medical and general business markets.

The Computer Systems segment provides integrated computer systems and services to automotive dealer and manufacturer, and medical markets. Co.'s products include integrated software packages, computer hardware, hardware and software installation, custom training, hardware maintenance, software support and financial services.

Property: Co. has facilities in the following locations:

Dayton, O.	Dallas-Forth Worth, Tex.
Chambersburg, Pa.	Chestertown, Md.
Columbus, O.	Phoenix, Ariz.
Celina, O.	Hagerstown, Md.
North Hollywood, Cal.	San Diego, Cal.
Arras, France	Sydney, Australia
Winstead, Conn.	Brampton, Ontario, Canada

Subsidiaries

The Arnold Corp. — Printed Communications for Business.
NMCS, Inc.
Reyna Financial Corp.
Reynolds & Reynolds (Canada) Ltd.
Reynolds & Reynolds (France) S.A.

Officers

D.R. Holmes, Chmn., Pres. & C.E.O.
R.H. Grant, III, Senior Vice-Pres.
D.L. Medford, V.P. & C.F.O.
M.J. Gapinski, Treas. & Asst. Sec.
A.M. Lutynski, Gen. Counsel & Sec.

Directors

J.N. Bausman	D.E. Fry
R.H. Grant, III	R.H. Grant, Jr.
D.R. Holmes	D.L. Medford
R.C. Nevin	G.B. Price, Jr.
W.H. Seall	K.W. Thiele
M.D. Walker	

Auditors: Deloitte & Touche.

Legal Counsel: Coolidge, Wall, Womsley & Lombard.

Annual Meeting: In February.

No. of Employees: Sep. 30, 1991, 426.

Address: 115 S. Ludlow Street, Dayton, OH 45402. **Tel.:** (513)443-2000.

Consolidated Income Account, years ended Sept. 30 ($000):

	1991	1990	1989
Information systems	581,935	580,901	589,460
Financial services	17,320	14,365	12,686
Tot net sales & revs	599,255	595,266	602,146
Cost of sales	347,108	350,089	358,738
Sell, gen & admin exps	192,574	188,703	181,662
Financial services	13,055	9,478	7,899
Total costs & exps	552,737	548,270	548,299
Operating income	46,518	46,996	53,847
Interest expense	8,336	10,907	10,429
Interest income	2,786	3,827	2,065
Loss (gain) on sale of assets	dr2,278	1,407	290
Other inc (charges)	dr110	383	329
Tot other inc (chrgs)	7,938	5,290	dr7,745
Inc bef income taxes	38,580	41,706	46,102
Prov for inc taxes	16,092	17,295	18,858
Net Income	22,488	24,411	27,244
Prev retained earns	183,917	167,563	148,217
Cash divs-class A com	8,449	8,117	7,816
Cash divs-class B com	367	350	332
Fgn currency transl adj	......	1,327	250
Retained earns	197,589	184,834	167,563
Earn com & com equiv sh	$2.13	$2.30	$2.53
Common shares (000):			
Year-end	18,802	18,847	19,037
Average	10,572	10,619	10,772

Consolidated Balance Sheet, as of Sept. 30 ($000):

Assets:	1991	1990
Cash & equivalents	27,737	30,196
Accounts receivable, net	[1]83,016	[1]93,732
Total inventories	34,521	40,140
Prepaid exps & other assets	11,259	3,361
Total current assets	156,533	167,429
Tot prop, plt & equip	221,856	223,567
Less accum depreciation	121,349	117,360
Net prop, plant & equip	100,507	106,207
Excess of cost over net assets of cos acq	55,439	57,187
Software licensed to customers	9,383	14,965
Other	6,456	6,163
Total intang assets	71,278	78,315
Other assets	27,415	23,131
Tot information syss assets	355,733	375,082
Finance receivables-net	158,236	138,111
Other assets	1,346	2,036
Tot financial servs assets	159,582	140,147
Total assets	515,315	515,229
Liabilities:		
Curr portion of lg tm debt	9,961	15,081
Notes payable	......	1,860
Accounts payable-trade	21,967	23,009
Other accounts payable	1,308	1,386
Accrued compensation	14,915	14,352
Other accrued liabilities	20,654	18,090
Total current liabil	68,805	73,778
Long-term debt	38,991	73,068
Deferred income taxes	16,689	14,789
Other liabilities	13,828	15,011
Total other liabilities	30,517	29,800
Tot information syss liabil	138,313	176,646
Notes payable	86,796	57,009
Deferred income taxes	41,196	43,438
Other liabilities	1,400	3,423
Tot financial servs liabil	129,392	103,870
Class A common stock	[2][3][4]6,283	[2][3][4]6,311
Class B common stock	[5][6][7]273	[5][6][7]273
Additional paid-in cap	42,325	43,295
Accum fgn currency transl adj	cr1,140	......
Retained earnings	197,589	184,834
Total shholders' equity	247,610	234,713
Total liabil & stk eq	515,315	515,229
Net current assets	87,728	93,651
Book value	$9.38	$8.30

[1]Allow for doubtful accounts: 1991 $3,527,000 ; 1990 $2,921,000 [2]Par value: 1991 $.625 ; 1990 $.625 [3]Auth shs: 1991 30,000,000 ; 1990 30,000,000 [4]Outstg shs: 1991 10,052,568 ; 1990 10,098,004 [5]Par value: 1991 $.03125 ; 1990 $.03125 [6]Auth shs: 1991 30,000,000 ; 1990 30,000,000 [7]Outstg shs: 8,749,280

Long Term Debt: Outstg. Sept. 30, 1991, $135,748,000 comprised of:

Information Systems:

(1) $47,142,000 8.625% note, 1996.

(2) $1,810,000 8.50% to 10.99% obligations, maturing through 1995.

Financial Services:

(3) $30,000,000 6.0%-6.38% short-term, 1991.

(4) $42,796,000 8.85%-9.60% notes, due thru 1995.

(5) $14,000,000 revolving credit agreement.

Renya's borrowings are supported by Co. and require that Co. maintain 100% ownership of Renya's capital stock. Co. may also be required to make cash contributions to ensure that Renya maintains net worth of $1,0000 and a ratio of income before income taxes and interest expense to interest expense of at least 1.25.

Co. has entered into agreements to reduce tha impact of changes in interest rates on its floating rate financing arrangements. Under the terms of various interest rate swaps, Co. receives interest on a notional amount at floating rates and pays interest at fixed rates. Ceiling and collar agreements allows Co. to borrow at floating rates but limit the maximum rates Co. may have to pay. Net interest received or paid on these contracts is reflected in interest expense.

Capital Stock: 1. Reynolds & Reynolds Co., Cl. A com.; par $0.625.

AUTHORIZED — 30,000,000 shares; outstanding, Sept. 30, 1991, 10,052,568 shs.; in treasury, 1,002,800 shs.; reserved for options, 362,860 shs.; reserved by conversion of class B stock, 437,464 shares; par $0.625.

Par changed from $10 to $5 by 2-for-1 split Oct. 15, 1965; from $5 to $2.50 by 2-for-1 split Feb. 20, 1968; from $2.50 to $1.25 by 2-for-1 split Feb. 28, 1972.; from $1.25 to $0.625 by 2-for-1 on Mar. 28, 1986.

VOTING RIGHTS — Class A and class B have one vote per share, with right of cumulative voting for directors; each class has right to vote on certain questions including any adverse change in terms.

LIQUIDATION RIGHTS — On liquidation, assets are distributed in ratio of 20 to one between each A and each class B share.

DIVIDEND RIGHTS — Dividends may not be paid on either class unless simultaneously paid on both classes, with class A receiving 20 times amount declared on class B; no stock dividends or split-ups may be declared except on a pro-rata basis.

DIVIDENDS — (Calendar Years):

On $10 par shares:

1960	$0.50	1961	$0.60	1962	$0.62½
1963	0.85	1964	1.10	1965	1.55

On $5 par shares:

[1]1966-67	0.90	1968	0.25

On $2.50 par shares:

1968	0.37½	1969-71	0.60	1972	0.15

On $1.25 par shares:

1972	0.22½	1973-75	0.32	1976	0.40
1977	0.60	1978	0.72	1979	0.88
1980-84	1.08	1985	1.24	1986	0.70

On $0.625 par shares:

1986	0.35	1987-89	0.76	1990	0.80
1991	[2]0.84	[3]1992	0.22		

[1]Also 3% stock in 1966.

[2]Plus rights distrib. see below.

[3]To Jan. 13.

DIVIDEND RESTRICTIONS — See long-term debt.

PREEMPTIVE RIGHTS — None.

OFFERED — (255,000 Class A — $2.50 par shs.) at $43 a sh. on May 27, 1971 thru duPont Glore Forgan, Inc., Clark, Dodge & Co., Inc. and C.C. McCune & Co. and associates. Proceeds for expansion.

(1,500,000 cl. A shs.) at $31.00 per sh. on July 21, 1986 thru Goldman, Sachs & Co. and associates. Proceeds will be used to reduce debt outstg. under Co.'s $110,000,000 revolving credit agreement which was entered into finance the acquisition of The Arnold Corp.

REGISTRAR & TRANSFER AGENT — Bank One, Indianapolis, N.A.

LISTED — On NYSE (Symbol: REY).

PRICE RANGE —	1991	1990	1989	1988	1987
High	37¼	24½	33⅞	24¾	38¾
Low	16	11½	23¼	16½	13¾

2. Reynolds & Reynolds Co., Cl. B com.; par $0.03⅛:

AUTHORIZED — 30,000,000 shares; outstanding, Sept. 30, 1991, 8,749,280 shares; par $0.03⅛.

Par changed from 50 cents to 25 cents by 2-for-1 split Oct. 26, 1965; from 25 cents to 12½ cents by 2-for-1 split Feb. 20, 1968; from 12½ cents to 6¼ cents by 2-for-1 split Mar., 1972; from 6¼ cents to 3⅛ cents by 2-for-1 split on Feb. 28, 1986.

All owned by R.H. Grant, Jr. or R.H. Grant, III.

VOTING, LIQUIDATION, DIVIDEND RIGHTS — See class A common.

DIVIDEND RESTRICTION — See long-term debt.

PREEMPTIVE RIGHTS — None.

CONVERTIBLE — Into class A shs. at the rate of one sh. of class A for each 20 shs. of class B stock.

Preferred Stock Purchase Rights: On May 6, 1991, the board of directors approved the adoption of a shareholders rights plans. Under terms of the plan, preferred share purchase rights were distributed as a dividend to shareholders of record as of the close of business on May 17, 1991, at the rate of one right for each outstanding cl. A com. share of Co. and one-twentieth of a right for each outstanding cl. B com. share of Co. Rights are exercisable if a person or group acquires or seeks to acquire through a tender or exchange offer 20% or more of Co.'s cl. A com. shares. In that event, all holders of cl. A com. shares and cl. B common shares, other than the acquiror, can exercise their rights and purchase shares at a substantial discount.

RHONE-POULENC RORER INC.

History: Incorporated in Pennsylvania in 1968 as Rorer-Amchem, Inc. and succeeded by consolidation to the business of William H. Rorer, Inc. and Amchem Products, Inc. Name changed to Rorer Group Inc. in Apr. 1977 following divestiture of Amchem Products, Inc. and its subsidiaries. Present name adopted on Aug. 1, 1990.

In Dec. 1969 acquired Dyonics, Inc., Woburn, Mass. for 28,167 com. shs.

In Oct. 1970, acquired Hormoquimico, Sao Paulo, Brazil (now Rorer do Brasil) for over $1,000,000 in cash.

In Apr., 1971 acquired Dermik Laboratories, Inc., producer of dermatological preparations, in exchange for 580,000 common shares.

In Mar. 1973 formed Comfort Care Products to manufacture and market line of orthopedic soft goods.

In Sept. 1973 acquired Metcast Corp., engaged in the investment casting business in exchange for 21,921 com. shs.

On Dec. 1, 1973, acquired approx. 82% of outstg. stk. of Rotta Farmaceutici, S.p.A. (Rotta), an ethical pharmaceutical manufacturer for $4,246,000 cash and notes. In 1974 acquired an additional 11% for $605,000 cash and in 1975, acquired another 2% for $50,000 cash.

In Aug. 1975 formed Rorer-Amchem Financial Corp., subsidiary. (Name changed to Rorer Group Financial Corp. in Apr. 1977).

On Dec. 15, 1977 exchanged 1,200,000 Co. com. shs. for all stock of Dooner Laboratories, Inc., manufacturer of allergy drugs.

In May 1978, acquired Osteo A.G., Selzach, Switzerland for 275,678 com. shs.

In Feb. 1979, acquired Sonometrics Systems, Inc. for 480,000 com. shs.

In July 1979, acquired majority interest in Kyoritsu Pharmaceutical Industries.

In Jan. 1981, acquired Neomed Inc. for 553,583 com. shs.

In Dec. 1981, acquired Tri-State Optical Co. and Cilco Inc. Forms of the action call for a tax free exchange of Co. stk. for all outstg. shs. of Cilco and Tri-State.

In Mar., 1982 Co. acquired Toho Laboratories Co., Ltd. in exchange for 241,017 common shs.

In Feb., 1983, acquired Helmut Roedler KG and Pharmakon Roedler GmbH.

In June 1983, Co. acquired Kremers-Urban Co., Milwaukee, Wis.

In Feb., 1984 exchanged 123,610 shares of its common stock for all the outstanding shares of Omni Hearing Aid Systems, Inc.

In Aug. and Oct. 1984, acquired Pharbil Group of companies and Cogemo S.A., for cash.

In Jan., 1986, Co. acquired Revlon's worldwide ethical pharmaceutical business for $690,000,000.

In Feb., 1986, Co. sold its Surgical Products subsidiaries to Cooper Vision, Inc. for $348,000,000.

In Jan., 1987, sold its Monza (Milan) manufacturing facility to Rotta Research Laboratories, S.p.A.

During 1988, Co. acquired Wampole Inc., a Canadian manufacturer of over-the-counter pharmaceuticals based in Perth Ontario. Terms of the transaction, in which Co. purchased 100% of Wampole's outstanding shares, were not disclosed.

On Dec. 20, 1990, acquired substantially all of the 23.8% minority interest in Laboratoire Roger Bellon (LRB). Co. acquired an additional 161,088 shares, or a 21.5% interest, in LRB in exchange for 1,610,880 common shares of Co., with a fair market value of $64 per share.

In Jan. 1991, through an exchange offer acquired 97.7% of Lboratoire Roger Bellon.

Proposed Interest Sale: In Sep. 1991, Co. and the Belgian company UCB have reached agreement on the terms under which UCB will gain ownership of Co.'s shares in the Belgian company Radcure Specialties S.A. and its American subsidiary, Radcure Specialties, Inc.

The existing industrial agreements, particularly in the United States between Radcure Specialties Inc. and Co., will remain in effect. Terms of the transaction were not disclosed.

Merger: On July 31, 1990, shareholders approved the merger which resulted in the ownership by Rhone-Poulenc S.A. of 68% of Rorer Group common shares, the assumption by Rorer Group of certain Rhone-Poulenc debt, and combination of Rhone-Poulenc's and Rorer's pharmaceutical businesses.

Under the terms of the merger, holders of Contingent Value Rights (CVR) will be entitled to receive from Rhone-Poulenc on July 31, 1993, which date may be extended at Rhone-Poulenc's option to July 31, 1994, a payment in cash equal to the amount, if any to $98.26 or $106.12 on the extended maturity date the greater of (a) the market value of a share which is determined during a period prior to the maturity date or the extended maturity date and (b)$52. If the market value of a share equals or exceeds $98.26 on maturity date or $106.12 on the extended date, no amount will be payable with respect to CVR's.

Joint Venture: Co. and the University of Texas Health Science Center at San Antonio announced the formation of a new company, OsteoTex Corp., to research bone growth compounds.

OsteoTex is a joint venture between Co. and the Health Science Center. Rorer Bio Technology Inc., a wholly owned subsidiary which has expertise in the area of growth factors, will collaborate with O...

Business: Co is primarily engaged in the discovery, development, manufacture and marketing of a broad line of pharmaceutical products for human use. On the basis of sales, the Company is the leading pharmaceutical group in France, among the top three in Europe and among the largest in the world. Co. has a strong presence in North America, in developing markets, and in Japan. The Co.'s products are manufactured in more than 30 countries and the Co. has a commercial presence in all major markets of the world.

Co.'s pharmaceutical products are primarily comprised of prescription medicines, over-the-counter medicines and plasma-derived products. In addition, Co. manufactures and sells certain bulk pharmaceuticals and limited quantities of other chemicals.

The Co.'s product focus falls generally in the following major therapeutic areas: Cardiovascular products, including Lozol®, Clexane®/Lovenox®, Sermion®, Frumil®, Sectral® and Selectol®; Bone metabolism/rheumatology products, including Orudis®/Profenid®/Oruvail® and Calsynar®/Calcimar®; Gastroenterology products, including Maalox®;Central nervous system/analgesia products, including Doliprane® and Imovane® /Amoban®; Infectious deseases/oncology products, including Flagyl®, Josacine®, Peflacine®, Rovamycine® and Oroken®.

Properties: A substantial portion of the Co.'s phamaceutical production in most product categories is conducted in France, the United States, Germany, and the U.K. Following several facility divestitures in 1991, Co. has a total of 49 pharmaceutical plants through the world: In France (9), United States (5), elsewhere in Europe excluding France (10), Canada (2), Africa (7), Japan (2), other Asia (8) and Latin America (6). Included in the above are 6 plants dedicated solely or partially to the production of bulk pharmaceuticals and chemicals. These plants are located in France (3), the United Kingdom (1), the United States (1) and Germany (1).

Research and development activites are conducted in facilities in Vitry-sur-Seine and Croix de Berny, France; in and around Fort Washington, Pennsylvania, United States and Dagenham, United Kingdom. A new research center/corporate office facility of approx. 1,100,000 square feet is under construction in Collegeville, Pennsylvania. The office facility is now complete and occupied; the research center is expected to be completed during 1992, at which time U.S.-based research operations will be relocated there.

Co. generally either owns its facilities or leases them under long-term leases. Co. believes that its properties are well maintained and generally adequate to meet its needs for the foreseeable future.

Subsidiaries

Armour Pharmaceutical Co.
Rorer Pharmaceutical Corp.
Rorer International Pharmaceuticals
Rorer Central Research

Officers

R.E. Cawthorn, Chmn. & C.E.O.
J. Bertrand, Exec. Vice-Pres.
R.H. Thurman, Exec. Vice-Pres.
P. Langlois, Sr. V.P. & C.F.O.
J.B. Bartlett, Sr. V.P., Gen. Counsel & Sec.
J.R. Tretter, Senior Vice-Pres.
G.D. Brisson, Senior Vice-Pres.
B. Recukau, Senior Vice-Pres.
E.A. Moench, Vice-Pres.

Directors

J. Bertrand	J.M. Bruel
R.E. Cawthorn	J.W. Eckman
C.H. Filippi	C. Helene
M.H. Jordan	I. Landau
P. Neff	J.S. Riepe
E.J. Stemmler	R.H. Thurman
J.P. Tirouflet	

Auditors: Coopers & Lybrand.

General Counsel: John B. Bartlett.

Annual Meeting: In April.

No. of Employees: Dec. 31, 1991, 22,500 (approx.).

No. of Stockholders: Mar. 16, 1992, 8,586.

Address: 500 Arcola Road, Collegeville, PA 19426. **Tel.:** (215)454-8000.

Consolidated Income Account, years ended Dec. 31 ($000):

	1991	1990	1989
Net sales	3,824,300	2,917,364	1,182,152
Cost of prods sold	1,360,700	1,075,992	428,626
Sell, delivery & admin exps	1,363,300	1,090,624	476,810
Research & devel exps	444,500	350,178	121,806
Interest expense	164,900	182,561	57,712
Interest income	15,700	44,760	16,107
Restructuring chrgs	73,600	289,256	9,981
Gain on sale of non-strategic assets	95,700	78,835	30,870
Gain on contr termination fee	......	......	19,949
Other (expense), net	*dr*42,800	*dr*35,474	*dr*28,828
Total costs & inc	3,338,400	2,900,490	1,056,837
Inc bef income taxes	485,900	16,874	125,315
Prov for inc taxes	155,500	9,542	38,848
Inc bef minority int	330,400	7,332	86,467
Minority interest	3,900	6,343	[illegible]
Net income	326,500	989	86,4[illegible]
Div on pfd stock	400	......	1,5[illegible]
Net inc available to com shholders	326,100	989	84,9[illegible]
Prev retained earns	337,800	381,931	322,[illegible]
Common divs	61,300	45,117	25,[illegible]
Preferred divs	400	......	1,5[illegible]
Retained earns	602,600	337,803	381,9[illegible]
Earn com sh:			
Primary	$2.37	[1][2]$0.01	$1.[illegible]
Fully diluted	$2.37	[1][2]$0.01	$1.[illegible]
Common shares (000):			
Year-end	137,898	[1]137,438	63,1[illegible]
Average:			
Primary	137,700	[1]114,080	63,7[illegible]
Fully diluted	......	[1]	86,6[illegible]

[1]2-for-1 stk split,06/10/91

Consolidated Balance Sheet, as of Dec. 31 ($000):

	1991	[1]1990
Assets:		
Cash & cash equivalents	135,800	166,4[illegible]
Short-term investments	28,600	34,4[illegible]
Accounts receivable, trade	[2]716,600	[2]675,6[illegible]
Inventories	550,700	612,0[illegible]
Other current assets	352,400	298,0[illegible]
Total current assets	1,784,100	1,786,400
Prop, plant & equip, net	1,172,600	1,129,100
Goodwill, net	797,500	887,900
Intangibles, net	215,800	142,400
Other assets	145,500	139,200
Total assets	4,115,500	4,085,000
Liabilities:		
Short-term debt	552,900	539,800
Accounts payable	338,400	314,300
Accrued empl compens	130,500	138,600
Other current liabilities	355,300	402,400
Total current liabil	1,377,100	1,395,100
Long-term debt	919,200	1,139,300
Notes pay to Rhone-Poulenc S.A. & Affil	41,300	495,000
Deferred income taxes	69,500	63,500
Other liabilities	409,800	298,600
Total liabilities	2,816,900	3,391,500
Mkt auction pfd shares	[3]300,000	......
Common stock	[4]137,900	[4]68,700
Cap in excess of stated value	256,900	318,800
Retained earnings	602,600	337,800
Cum translation adjs	*cr*1,200	*dr*31,800
Total shholders' equity	1,298,600	693,500
Total liabil & stk eq	4,115,500	4,085,000
Net current assets	407,000	391,300

[1]Reclassified to conform with current presentation [2]Less reserves: 1991 $56,600,000 ; 1990 $42,307,000 [3]No par value; Auth shs: 300,000; Issued & outstg: 1991 300,000 [4]No par value; Stated value: $1 per share; Auth shs: 1991 200,000,00 ; 1990 200,000,00

Long Term Debt: Outstg. Dec. 31, 1991, $919,200,000 consisting of:

(1) $38,500,000 debentures 9.8S, due 1994.

(2) $39,600,000 6¼% notes payable under 1987 term fianancing agreement, due 1992-1996.

(3) $162,000,000 4.9%-9.8% revolving credit agreement, due 1996.

(4) $21,500,000 8.95% series B senior notes, due 1997.

(5) $489,700,000 5.0%-10.8% revolving credit facility payable in installments through April 30, 1997, at various interest.

(6) $65,900,000 9.15% series A senior notes, due 2004.

(7) $102,000,000 9.8% notes and mortgages payable at various interest rates.

On Apr. 30, 1990, Co. entered into two unsecured revolving credit facilities which are unconditionally guaranteed by Rhone-Poulenc. The first credit facility with $1.1 billion available at Dec. 31, 1991, payable in various installments through April 30, 1997. The second credit facility for $.4 billion matures on April 30, 1992. Borrowings under both agreements can be made in U.S. dollars, French francs, British pounds or German marks. The interest rates on the notes vary with LIBOR or PIBOR. The credit agreement permits the company to draw under either facility to refinance existing debt, for general corporate purposes or working capital requirements. Of the $489.7 million outstanding under the $1.1 billion facility at Dec. 31, 1991. $100.1 million was denominated in German marks with an average interest rate during 1991 of 9.2 percent, $52.1 million was denominated in British pounds with an average interest during 1991 of 12.4 percent and $227.5 million was denominated in French francs with an average interest rate during 1991 of 9.9 percent and $110.0 million was denominated in U.S. dollars with an average interest rate of 5.6 percent. At Dec. 31, 1991, there were no borrowings under the $.4 billion facility. Terms of the revolving credit facility contain certain covenants regarding the financial condition of RP, the most restrictive of which is the maintenance of minimum stockholders' equity and ratio of total indebtedness to net worth.

In 1991, Co. entered into two new unsecured revolving credit agreements due 1996 for $200.0 million and $50.0 million German marks, respectively. Borrowings under the agreements can be made in U.S. dollars, French francs, British pounds or German marks. The interest rates of these facilities vary with LIBOR. Of the $162.0 million outstanding, $128.6 million denominated in U.S. dollars with an average interest rate during 1991 of 4.9 percent and $33.4 million is denominated in German marks with an average interest rate during 1991 of 9.6 percent.

At Dec. 31, 1991, Co. was party to a variable interest rate swap agreement for approx. $40.0 million principal amount of its German mark long-term debt, maturing 1993. As of Dec. 31, 1991, Co. was also party to certain interest rate cap and floor agreements which fixed within various ranges the interest rates on approx. $391.0 million principal amount of debt. Approx. $193.0 million was denominated in French francs and $198.0 million was denominated in German marks. These agreements mature the second quarter of 1992. As a result of these instruments, interest rates on the outstanding floating rate debt were fixed within the ranges of 9.0 percent to 10.5 percent for borrowings in French francs and 8.5 percent to 9.0 percent for borrowings in German marks.

At Dec. 31, 1991, committed and uncommitted unused lines of credit were $1,294.4 million. Of such amount, approx. $1,010.3 million relates to the Revolving Credit Facility dated April 30, 1990, approx. $71.0 million relates to revolving credit agreements due 1996 and approx. $168.1 million relates to other facilities. Compensating balances and commitment fees are not material, and there are no significant conditions under which the lines may be withdrawn, except as noted above.

Notes Retired: Co. has retired its entire 10% Senior Subordinated Notes in June, 1991.

Capital Stock: 1. Rhone-Poulenc Rorer Inc. market auction preferred; no par:
OUTSTG. — Dec. 31, 1991, 300,000 shs.; no par.
DIVIDEND RIGHTS — Entitled to annual cum. dividends which are payable when, as and if declared by the Board of Directors. The initial div. rate for dividend periods ending Feb. and Mar. 1992 was 4.3% per annum; rates for subsequent div. periods will be determined at separate auctions. Dividend payment rates are scheduled every 49 days from each series' initial div. date, subject to certain excceptions. The variable div. periods and auction rates were approved by shareholders at a special meeting held on Jan. 31, 1992.
VOTING RIGHTS — None, except in the event that dividends on the MAPS are in arrears for at least 180 consecutive days. In such event, the authorized number of Co.'s Board of Directors will be increased by two and the holders of record of MAPS may elect these additional directors.
LIQUIDATION RIGHTS — In any liquidation entitled to $1,000 per sh. plus accrued and unpaid dividends.

2. Rhone-Poulenc Rorer Inc. common; no par (stated value $1):
AUTHORIZED — 200,000,000 shares; outstg. Dec. 31, 1991, 137,897,935 shs.; reserved for options, 11,141,403 shs.; no par (stated value $1).
No par shs. split 3-for-2 on Feb. 29, 1988; 2-for-1 on June 7, 1991.
VOTING RIGHTS — Has one vote per sh., with right of cum. voting for directors. No preemptive rights, except as permitted by Pa. law.
DIVIDENDS PAID — (Paid by William H. Rorer, Inc. — a predecessor Co.)

On $1 par shares:

1958	$0.36	1959	$0.20		

On $0.33⅓ par shares:

1959	0.35	1960	0.60	1961	$0.15

On $0.08⅓ par shares:

1961	0.15	1962	0.32½	1963	0.50
1964	0.65	1965	0.90	1966	1.00
1967	1.10	1968	1.24		

(Paid by Rorer Group Inc.)

1969	0.70	1970	0.70½	1971	0.72
1972	0.74½	1973	0.77	1974	0.82½
1975	0.91	1976	0.94	[2]1977	0.70
1978	0.68½	1979	0.78	1980	0.86
1981	0.93½	1982	0.99½	1983	1.05
1984	1.08	[3]1985	1.40	1986	1.13
1987	1.16	1988	0.30		

On no par shares after 3-for-2 stock split:

1988	0.60	1989	0.81	1990	[4]1.01
[1]1991	0.43				

On no par shares after 2-for-1 split:

1991	0.23	[1]1992	0.30

[1]To May 29.

[2]Also paid 1 sh. of Amchem Products, Inc. for each share held.

[3]Also paid com. stk. purchase right for each sh. held.

[4]Inc. $0.16⅔ due to redemption of com. stk. purchase rights.

TRANSFER, DIVIDEND DISBURSING AGENT & REGISTRAR — The Bank of New York, N.Y.
DIVIDENDS DISBURSING AGENT — Mellon Bank Philadelphia, P.A.
LISTED — On NYSE (Symbol: RPR); Also listed on the Paris Bourse; Philadelphia, Midwest, Pacific and Boston Stock Exchanges.

PRICE RANGE —	1991	1990	1989	[1]1988	1987
High	64⅞	70	48	48¼	58¾
Low	33⅝	56¼	36⅛	24⅛	29¾

[1]Adj. for 3-for-2 split.

RICHTON INTERNATIONAL CORP.

History: Reincorporated in Delaware on Aug. 25, 1969 as successor to Co. originally incorporated in New York Feb. 3, 1913 as Cohn & Rosenberger, Inc.; name changed to Coro, Inc., May 26, 1943; present name adopted Feb. 1970.

In fiscal 1970, acquired Oscar de la Renta International Ltd. for cash and stock (sold in Mar. 1974); Maximilian Fur Co., Inc. for cash (sold in June 1974); Coret Accessories, Inc. for cash and stock and Bond Street Ltd. for cash.

In 1970, acquired Ronay, Inc.; Aspen Skiwear; (sold in Jan. 1984) Valerian S. Rybar, Inc.; Dan Grossman Furs (sold in Dec. 1973) and Chic-Maid, Inc. for cash.

In Mar., 1972, acquired Don Rancho, Inc. for 263,405 com. shs. (name changed to Richton Sportswear, Inc. in 1976). (Sold in June 1983).

In May 1976, Co. formed subsidiary, Corocraft (France) S.a.v.l.

In June 1983, sold Richton Sportswear for approx. $4,934,000 cash.

In Nov. 1984, sold Golden Breed Pty. Ltd.

In Dec. 1984, acquired 23.5% interest in Bio-Nutronics, Inc. for $500,000.

In Mar. 1987 sold certain assets and trademarks of its Bond Street Division for cash.

On Dec. 19, 1988, sold all outstanding shares of its United Kingdom subsidiary, Richton International Ltd., and certain trademarks, to Swarovski Group PLC, a United Kingdom corporation.

Plan of Reorganization: On Aug. 26, 1981, a Plan of Reorganization for Co. and its domestic subsidiaries was confirmed by bankruptcy court. Plan provides that all general unsecured creditors be paid under either a short-term or long-term payment option. Creditors electing short-term payment option were paid 60% of their allowed claim in fiscal 1982 in final settlement of their claim. Creditors electing long-term payment option were paid approximately 30% of their allowed claim in fiscal 1982 with the balance of $11,602,000 to be paid in annual installments.

Business: Co. is engaged in the design, manufacture and marketing of fashion jewelry.

Properties: Co.'s executive office is located in New York, New York. The principal manufacturing and warehouse facilities are located in Toronto, Canada and has approximately 84,000 sq. ft. Co. also leases sales offices, showrooms and storage space in ten cities in Canada. The aggregate square footage is 35,930.

Subsidiaries

(wholly-owned)

Coro (Canada) Inc.
Richton International Ltd.

Officers

F.R. Sullivan, Chmn., Pres. & C.E.O.
C.F. Griffin, V.P. & C.F.O.
M.E. Bernstein, Secretary

Directors

P. Gutzwiller	T.J. Hilb
S.J. Leifer	G.E. Matthews
F.R. Sullivan	

Auditors: Arthur Andersen & Co.

No. of Employees: Apr. 30, 1991, 308.

No. of Stockholders: Apr. 30, 1991, 782.

Address: 1345 Ave. of the Americas, New York, NY 10105-0302. **Tel.:** (212)765-6480. **Fax:** (212)397-9219. **Telex:** 620030.

Consolidated Income Account, years ended Apr. 30 ($000):

	1991	1990	1989
Net sales	20,663	22,194	30,452
Cost of sales	14,665	13,459	18,475
Gross profit	5,998	8,735	11,977
Sell, gen & admin exps	8,210	8,188	17,097
Interest income	70	251	259
Interest expense	256	349	447
Gain on sale of sub	......	......	2,212
Inc bef income taxes	*d*2,398	449	*d*3,096
Prov (cr) for inc taxes	*cr*1,171	74	*cr*135
Net income	*d*1,227	375	*d*2,961
Prev retained earns	*d*3,672	*d*4,047	*d*1,086
Retained earns	*d*4,899	*d*3,672	*d*4,047
Earn com & com equiv sh	*d*$0.46	$0.14	*d*$1.07
Common shares (000):			
Year-end	2,640	2,673	2,763
Average	2,640	2,749	2,763

Consolidated Balance Sheet, as of Apr. 30 ($000):

Assets:	1991	1990
Cash	1,530	772
Sh-tm invests, at cost	......	831
Receivables, net	[1]4,441	[1]5,036
Total inventories	6,061	8,571
Other current assets	1,467	718
Total current assets	13,499	15,928
Prop, plt & equip, at cost	4,546	4,509
Less accum deprec & amort	2,972	2,718
Prop, plant & equip, net	1,574	1,791
Other assets	1,535	643
Total assets	16,608	18,362
Liabilities:		
Curr installs of lg tm debt	750	750
Accounts payable	826	660
Accrued payroll & other liabil	1,853	1,621
Total current liabil	3,429	3,031
Lg tm debt, less curr installs	938	1,687
Deferred income taxes	873	1,066
Common shares	[2]276	[2]276
Additional paid-in cap	16,850	16,850
Retained earn (deficit)	*dr*4,899	*dr*3,672
Cumul fgn currency transl adj	*dr*466	*dr*569
Treasury shares	[3]*dr*393	[3]*dr*307
Total shholders' equity	11,368	12,578
Total liabil & stk eq	16,608	18,362
Net current assets	10,070	12,897
Book value	$4.31	$4.71

[1]Net of reserves: 1991 $295,000 ; 1990 $271,000 [2]Par value: $.10; Auth shs: 4,000,000 [3]Shares: 1991 130,100 ; 1990 97,300

Long Term Debt: Outstg., Apr. 30, 1991, $1,688,000, unsecured term loan, interest at prime plus ¾%, due 1994.

This loan is payable over a two year three month term on a quarterly basis, commencing on Sept. 30, 1989.

Capital Stock: Richton International Corp. Common; par $0.10:
AUTHORIZED — 4,000,000 shares; outstg., Apr. 30, 1991, 2,640,273 shares; in treas., 130,100 shares; reserved for options, 100,000 shares; par $0.10.
No par shares split 3-for-1 June 25, 1946.
PREEMPTIVE RIGHTS — None.
DIVIDENDS PAID —

On no par shares:

1936	$0.30	1937	$0.70	1938	$1.00
1939	Nil	1940	1.00	1941	1.75
1942-44	1.00	1945	1.50	1946	1.00

On no par shares after 3-for-1 split:

1946	0.95	1947	1.75	1948	1.15
1949-50	1.00	1951	0.60	1952	0.75
1953	0.85	1954	1.00	1955	1.20
1956	0.25				

On $5 par shares:

[1]1956	0.75	[1]1957-61	1.00	1962	0.50
1963-69	Nil	1970	[1] ..	[1]1971	0.05

On $0.10 par shs. after 50% stk. div.:

1971	0.10	1972	0.20	1973	0.10
1974-75	Nil	1976	0.26	1977	0.26½
1978	0.41	1979	0.44	1980-91	Nil

[1]Also paid stock dividends: 1956 and 1957, 2%; 1970, 5%; 1971, 50%.

TRANSFER AGENT AND REGISTRAR — Midlantic National Bank, N.J.
OFFERED — (635,111 shares) at $18 a sh. on Mar. 23, 1972, thru Burnham & Co. Inc. and associates. Proceeds of 200,000 shs. for Co. account for working capital.
(800,000 shs.) issued privately in the United Kingdom in Feb. 1986 thru Bear Stearns. Proceeds to Co., approx. $5,000,000.
LISTED — On ASE (Symbol: RHT).

PRICE RANGE —	1991	1990	1989	1988	1987
High	2⅞	3⅜	4⅜	3¾	6⅛
Low	1⅛	1⅞	3⅜	2¼	4

Preferred Stock Purchase Rights: On Jan. 26, 1988, the Board declared a dividend distribution of one right for each outstanding share of common stock, to stockholders of record at the close of business on Feb. 5, 1988. Except as set forth below, each right entitles the registered holder to purchase from Co. 1/100 of a share of series A preferred stock, par value $1.00 per share, at a price of $14.00, subject to adjustment. The purchase price shall be paid in cash. The description and terms of the rights are set forth in the rights agreement between Co. and First Jersey National Bank, N.A., as rights agent.

Initially, no separate right certificates will be distributed. Until the earlier to occur of (i) 20 business days following a public announcement that a person or group of affiliated or associated persons has acquired, or obtained the right to acquire, beneficial ownership of 20% or more of the outstanding common stock or (ii) 20 business days following the commencement of a tender offer or exchange offer if upon consumation thereof, such person or group would be the beneficial owner of 30% or more of such outstanding common stock, the earlier of such dates being called the distribution date, the rights will be evidenced, with respect to any common stock outstanding as of the record date, by the certificates representing such common stock. As soon as practicle following the distribution date, separate certificates evidencing the rights will be mailed to holders of record of the common stock as of the close of business on the distribution date and thereafter, such separate right certificates alone will evidence the rights.

RIEDEL ENVIRONMENTAL TECHNOLOGIES, INC.

History: Organized in Oregon in January 1986 and in a reorganization exchanged its stock for that of Riedel Enviromental Services, Inc. Riedel Omni Products, Inc. and Riedel Waste Disposal System, Inc.

On Dec. 31, 1986, acquired, through its wholly-owned subsidiary, all the operating assets of Peterson Maritime Services, Inc for $2,800,000.

On Nov. 29, 1988, acquired Industrial Waste Management, Inc. for $760,000 in cash and 268,016 com. shares.

In Apr. 1989, Co. acquired certain assets and liabilities of Burbridge Coal, Inc. details were not disclosed.

In June 1989, Co. through its subsidiary OMNI, acquired substantially all the operating assets of a rubber railroad crossing manufacturer.

In July 1989, Co. acquired Western Compliance Inc. for approx. $1,000,000.