FILE NAME: Philip Carey (PC)

DATE: 1981 PC071

DOC#: PC071

DOCUMENT DESCRIPTION: Entry in Moody's Industrial Manual

JIM WALTER

1981
VOL. 2
J-Z

COVERING NEW YORK, AMERICAN & REGIONAL STOCK EXCHANGES & INTERNATIONAL COMPANIES

MOODY'S®

INDUSTRIAL MANUAL

Moody's Investors Service
a company of The Dun & Bradstreet Corporation

SEE FOLLOWING PAGE FOR COMPLETE LIST OF OFFICES

On Oct. 1, 1971 opened Walt Disney World in Central Florida.

In Mar., 1979, sold Crown Sports Center, Denver, Colo.

Business: Engaged in producing and distributing color animated cartoon and live action motion pictures and television productions. Pictures are of two classes, short subjects and feature length subjects. Also licenses for commercial purposes the use of names, characters, designs, music and figures developed by company in connection with production of motion pictures and prepares comic strips and materials for books. Also distributes 16 millimeter, non-theatrical film and is engaged in music business.

Disneyland and Walt Disney World together with various amusement attractions, specialty merchandise and souvenir shops, restaurants, and exhibits sponsored by national companies, accounts for 72% of company's gross.

Disney World development in Florida is being built in several phases. First phase, which includes a park similar to Disneyland, resort hotel and motel accommodations and various recreational facilities, opened on Oct. 1, 1971. Second phase will include EPCOT, the Experimental Prototype Community of Tomorrow, of which the permanent international exposition known as The World Showcase is a major part. Construction of the EPCOT Center began in Oct. 1979 with completion expected to be in Oct. 1982.

Property: Principal plant located in Burbank, Cal.; consists of 61 buildings on a site of 44 acres of land; also owns 708 acres of ranch property in Newhall-Saugus area. Leases 26,400 sq. ft. at 477 Madison Ave., New York; also 43 sq. miles of land in Florida southwest of Orlando. Owns and operates Disneyland Park at Anaheim, Cal.

Principal Domestic Subsidiaries: Walt Disney Music Co., Wonderland Music Co., Inc., Buena Vista Distribution Co., Inc., Buena Vista International, Inc., Walt Disney World Co., Walt Disney Educational Media Co., Walt Disney Travel Co., Inc.; Lake Buena Vista Communities, Inc.

Co. also has subsidiaries in 11 foreign countries.

Joint Venture: In Apr. 1979, Company formalized a final definitive agreement on its $300,000,000 Tokyo Disneyland.

Under the agreement, the Japanese firm, Oriental Land Co. will provide the money to build and operate the amusement park on a 600-acre peninsula in Tokyo Bay east of Tokyo, and Co. will provide its management and construction expertise.

Company will receive a royalty percentage of gross revenues of park scheduled to open in 1983.

Officers

E.C. Walker, Chmn. & Chief Exec. Off.
D.B. Tatum, Chmn. of Exec. Committee
R.W. Miller, Pres. & Chief Oper. Off.
M.L. Bagnall, Senior Vice-Pres.—Finance
R.J. Cayo, Senior Vice-Pres.
V.H. Jefferds, Senior Vice-Pres.—Marketing Division
J.B. Lindquist, Senior Vice-Pres.—Adv., Pub., Promotion & Pub. Relations
B.K. Boyd, Vice-Pres.—Consumer Products & Mdse.
J.M. Deetjen, Vice-Pres.—Tax Adm. Counsel
R.T. Morrow, Vice-Pres.—Gen. Counsel
Franklin Waldheim, Vice-Pres. & Eastern Counsel
R.A. Nunis, Vice-Pres.—Disneyland & Walt Disney World Oper.
R.W. Gibeaut, Vice-Pres.—Studio Opers.
Howard Roland, Vice-Pres.—Constr. Contract Admin. & Purch.
Lennart Ringquist, Vice-Pres.—Television
L.R. Marr, Vice-Pres.—Corp. & Stk. Aff.
C.G. Bongino, Vice-Pres.—EPCOT
D.A. Smith, Sec.
B.F. Johnson, Contr.
L.L. Kirk, Asst. Sec.—Treasurer
W.A. Jones, Treas.
N.E. McClure, Asst. Sec.
D.A. Escen, Asst. Treas. & Ass't. Contr.
D.E. Houck, Asst. Contr.
D.E. Tucker, Asst. Contr.

Directors

D.B. Tatum	E.C. Walker
W.H. Anderson	R.E. Disney
R.W. Miller	R.T. Morrow
Caroline L. Ahmanson	P.M. Hawley
	R.L. Watson

Auditors: Price Waterhouse & Co.

Annual Meeting: First Wed. in Feb.

No. of Stockholders: Sept. 30, 1979, 65,000.

No. of Employees: Sept. 30, 1979, 21,000.

General Office: 500 South Buena Vista St., Burbank, CA 91521. **Tel.:** (213)845-3141.

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

	1980	1979	1978
Revenues:			
Entertain., etc.	643,380	571,079	508,444
Film rentals	161,400	134,785	152,135
Consum. prod., etc.	109,725	90,909	80,564
Total	914,505	796,773	741,143
Costs & expenses:			
Entertain., etc.	515,848	450,435	402,492
Film rentals	112,725	94,556	98,016
Consum. prod., etc.	54,632	46,087	43,095
Total	683,205	591,078	543,603
[2]Oper. income	231,300	205,695	197,540
Corporate expenses:			
Gen. & admin.	21,230	17,830	17,212
Proj. design aband.	4,294	2,390	3,311
Interest, net	cr42,110	cr28,413	cr12,468
Income taxes	112,800	100,100	91,100
[1]**Net income**	135,186	113,788	98,385
Prev. ret. earn.	425,203	326,911	257,899
Divs. (cash)	23,280	15,496	10,273
Divs. (stk.)	......	......	19,100
Retained earn.	537,109	425,203	326,911
[3]Earn., com. sh.	$4.16	$3.51	$3.04

[1]After $48,052,000 (1979, $46,474,000; 1978, $46,489,000) deprec. & amort. [2]Before corporated expenses. [3]As reported on 32,513,000 (1979, 32,426,000; 1978, 32,397,000) aver. com. & com. equiv. shs.

Yr. End Shs.:

	1980	1979	1978
Common	32,354,319	32,299,431	32,246,251

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

Assets:	1980	1979	1978
Cash & equivs.	328,278	354,890	287,599
Receivables	50,711	37,122	26,708
[2]Prod. in proc.	61,127	38,278	32,453
[2]Scenarios, etc.	54,648	41,874	39,404
Prepays.	11,438	8,977	8,284
Total curr.	506,202	481,141	394,448
[1]Net prop., etc.	583,101	571,387	577,623
Construct.	163,031	60,796	39,374
Land	16,414	16,264	16,888
Film prod. costs	59,281	47,610	40,822
Other assets	19,378	19,226	13,986
Total	1,347,407	1,196,424	1,083,141
Liabilities:			
Accts., etc., pay.	109,047	74,591	65,059
Income taxes	36,244	45,177	48,615
Total curr.	145,291	119,768	113,674
Long-tm. debt	30,429	18,616	11,393
Def. inc. tax	96,889	96,978	96,839
Common stk.	537,689	535,859	534,324
Retained earn.	537,109	425,203	326,911
Total	1,347,407	1,196,424	1,083,141
Net curr. assets	360,911	361,373	280,774
Net tang. com. sh.	$33.23	$29.77	$26.71
[1]Deprec.	352,051	310,750	275,758

[2]Lower cost or mkt.

Long Term Debt: Outstanding Sept. 30, 1980, $30,429,000 various long term debt and advances.

Revolving Credit Agreement: In October 1979, Co. executed an agreement with a bank for an unsecured five year revolving line of credit of $200,000,000 at the prime rate. Under the line of credit, the Company is required to pay a fee on the unused portion of the commitment and maintain certain compensating balances.

Capital Stock: Walt Disney Productions common; no par:

AUTHORIZED—75,000,000 shares; outstanding, Sept. 30, 1980, 32,354,319 shares; reserved for options, 570,982 shares; no par.

Par changed from $10 to $5 in Mar., 1940, from $5 to $2.50 Aug. 20, 1956 and from $2.50 to $1.25 par Nov. 15, 1967, all by 2-for-1 splits; par changed from $1.25 to no par in Feb., 1977 sh.-for-sh.

VOTING RIGHTS—Has one vote per share.

PREEMPTIVE RIGHTS—None.

DIVIDENDS PAID—(calendar years):

On $2.50 par shares:
[1]1957.....$0.30 [1]1958-67 ..$0.40
On $1.25 par shares:
[1]1968-69 ...0.30 [1]1970......0.30 [1]1971 ...$0.07½
On $1.25 par shs. (after 100% stk. div.):
1971 ....0.15 [1]1972......0.20 [1]1973......0.06
On $1.25 par shares (after 100% stk. div.):
1973 ....0.09 [1]1974-76 ...0.12 [1]1977......0.15
[1]1978......0.32 1979 ....0.48 1980 ....0.72
[2]1981......0.25

[1]Also stock dividends: 1957, 1959, 1960, 1962, 1963, 1964, 1965, 1966, 1967 and 1968, 3%; 1969, 2%; 1970, 2%; Jan. 1, 1971, 2%; Feb. 27, 1971, 100%; 1972, 2%; 1973, 100%; 1975, 2%; 1976, 3%; 1977, 3%; 1978, 1½%.

[2]To Jan. 5.

OFFERED—(208,991 shs.) at $79 a sh. on June 3, 1969 thru Kidder, Peabody & Co., Inc. and Lehman Brothers and associates. Offering did not represent new financing.

(500,000 shs.) at $148 a sh. on Jan. 6, 1971 thru Kidder, Peabody & Co. and Lehman Brothers, Inc. and associates.

LISTED—On NYSE (Symbol: DIS); also listed on Pacific and Swiss Stock Exchanges; unlisted trading on Boston, Philadelphia and Midwest Stock Exchanges.

TRANSFER & DIVIDEND DISBURSING AGENT & REGISTRAR—Bank of America N.T. & S.A., San Francisco.

PRICE RANGE—	1980	1979	1978	1977	1976
High	53⅞	45½	47⅛	47⅝	63
Low	40½	33	31½	32⅛	41⅛

JIM WALTER CORP.

History: Incorporated in Florida, Aug. 22, 1955 to acquire assets of Walter Construction Co. established in 1946.

On Aug. 31, 1964 merged the Celotex Corp. by issuance of 3.3 (as presently constituted) company common shares for each Celotex common share (1,230,192 shs.) and one new company 5% cumulative preferred share for each Celotex preferred share (251,860 shs.).

In Nov. 1965 acquired Edwards Power Door Co., Inc., manufacturer and distributor of automatic door operating devices and related products.

On Jan. 5, 1966, acquired assets of Brentwood Financial Corp. for 390,650 new $1.20 convertible preferred shares and 423,600 (as presently constituted) common shares (about 26.67 preferred and 28.92 (as presently constituted) common shares for each 100 Brentwood common shares outstanding. Brentwood is a holding company. Through subsidiaries, operates a savings and loan business, an insurance agency business and acts as trustee under trust deeds securing loans made by savings and loan subsidiary.

In 1966, liquidated Warren Industries, Inc. into Parent Co.

On Aug. 1, 1967, The Celotex Corp. acquired building materials operations (Barrett Business) of Allied Chemical Corp. for $20,000,000 cash and 731,607 shares of new $2 conv. preferred stock.

In Nov. 1967, acquired Alger-Sullivan Co., Inc., Century, Fla., a producer and distributor of laminated railroad flooring by issuance of 169,998 (as presently constituted) common shares.

In Feb. 1968, acquired Marquette Paper Corp., Chicago, for cash and debentures amounting to $6,227,865.

In June, 1968 acquired remaining minority interest in South Coast Corp. (69% owned) by issuance of 363,579 (as presently constituted) common shares at rate of 1.8 (as presently constituted) common shares for each minority South Coast share (sold in Sept. 1979).

In Sept., 1968 acquired remaining minority interest in South Shore Oil and Development Co. by issuance of 353,454 (as presently constituted) common shares at rate of 1.8 (as presently constituted) common shares for each minority South Shore share.

In Sept., 1968 acquired assets and assumed liabilities of Gilbert C. Van Camp Insurance Agency, a general insurance agency for 32,061 common shares (as presently constituted).

In Dec., 1968, acquired Majestic Carpet Mills, Inc. and affiliates by issuance of 41,730 $1.40 conv. ser. 2 third preferred shares with 40,230 issuable contingent on a 3-year earnings formula (no additional shares were issued).

In Dec. 1968, sold its 72% interest in First National Bank, St. Petersburg, Fla. (see Moody's Bank & Finance Manual) for about $15,770,000.

In Dec., 1968 acquired Knight Paper Corp. by issuance of 118,629 (as presently constituted) common shares.

On Feb. 21, 1969 acquired Georgia Marble Co. by issuance of 181,290 convertible series 3 third preferred shares in exchange for Georgia Marble common and 3,608 series 4 third preferred shares in exchange for Georgia Marble preferred.

In Apr. 1969, acquired Mohawk Tablet Co. for 30,000 common shares.

On June 3, 1969, acquired 23.68% of United States Pipe & Foundry Co. common stock for $31,549,104 from "Automatic" Sprinkler Corp. of America.

On Aug. 30, 1969 merged United States Pipe & Foundry Co. into a wholly-owned subsidiary of company in exchange for 2,824,555 shs. of $1.60 cumulative convertible fourth preferred stock.

In Jan. 1970, acquired Colombia Moulding Co. for 200,000 Series 1 sixth preferred shares.

On Nov. 2, 1971 acquired Aetna Savings & Loan Assoc. by issuance of 275,000 common shares; merged into Brentwood Savings and Loan Association.

In Mar. 1972 acquired Monarch America, Inc. for 122,010 common shares.

In Apr., 1972, acquired 89% interest in Panacon Corp. from Glen Alden Corp. for $62,000,000 cash and in June 1972 acquired remaining 11% interest.

In Apr. 1972, acquired North American Door Corp., BGF Realty Corp. for 126,909 common shares and organized Jim Walter Advisers, Inc.

In May, 1972 acquired Gamble Brothers, Inc. for 270,247 common shares.

In Sept. 1972 formed Jim Walter Doors as a consolidation of Alger-Sullivan Co., Crawford Door Co., Edwards Power Door Co., and North American Door Corp.

In Sept. 1972 acquired Marble Products Co. for 104,035 shares of common stock.

In Nov., 1972 acquired D.J. Dinsmore for 168,007 shares of common stock.

In Nov., 1972 acquired Christian Wood Products for 23,767 shares of common stock.

In Jan., 1973 acquired Crown-Tuft carpet division from Johns-Manville Products Corporation for cash.

In May 1973, acquired J.P. Hamer Lumber Co. for cash.

In May 1973, acquired Quincy, Ill. Paper Mill from Packaging Corp. of America for cash.

In Aug. 1974 formed Jim Walter Papers as a consolidation of The Knight, Nackie, Marguette and Converted Paper Divisions.

In Sept. 1974 formed Jim Walter Window Components as a consolidation of Warren Industries, D.J. Dinsmore and Monarch America, Inc.

In Jan. 1976 formed Jim Walter Resources, Inc. from a division of U.S. Pipe to direct Co.'s Coal Mine development program.

In Oct. 1977, acquired Graham Paper Co. for about $12,000,000.

In Oct. 1978, sold Majestic Carpet Mills.

In May, 1979 formed Jim Walter Metals to provide aluminum sheet and foil for internal use.

In Sept. 1979, sold sugar operations of The South Coast Corp. for $45,214,000.

In Jan. 1980, acquired Hall Paving Co.

In May 1980, acquired Insul-Coustic Corp.

In Sept. 1980, acquired Oklahoma Envelope Manufacturing Co. Also acquired, in Sept. 1980, Lawndale Industries, Inc.

In Dec. 1980, through Brentwood Savings and Loan Association, acquired 15 southern California branch offices from Mutual Savings and Loan Assoc.

Proposed Divestiture: In Feb. 1978, Federal Trade Commission ruled unanimously that Co.'s acquisition of Panacon Corp. was anti-competitive and violated federal antitrust laws.

Acquisition, through Celotex Corp., subsidiary, created further concentration in an already concentrated asphalt and tar roofing industry, commission said. Celotex and a Panacon division, Philip Carey Co., were leading companies in industry.

Commission ordered Co. to sell Philip Carey and a second Panacon division within a year and barred Co. from acquiring asphalt or tar roofing concerns for 10 years.

Co. said it will pursue "all available legal remedies" to resist divestiture order. Co. said it believes acquisition "has served to intensify competition in roofing-materials business rather than weaken or constrain it as commission has found."

Ruling largely upheld an earlier decision by an FTC administrative law judge. Full commission, however, ordered divestiture of both Philip Carey and Carey-Canadian Mines Ltd., a supplier of asbestos fibers to Philip Carey, while FTC aide had recommended divestiture of only Philip Carey. Decision is being reviewed by the U.S. Court of Appeals.

On Sept. 12, 1980 the court vacated the Final Order of the FTC and remanded the case to the FTC for reconsideration.

Business: Co. thru its subsidiaries engages in sale, construction and financing of shell-type and partially-finished homes. Also manufactures and distributes a wide range of building materials for residential, commercial and industrial uses and the development of natural resources.

Among the company's other businesses are distribution of a full line of quality printing papers, a southern California savings and loan operation, insurance agency services, a chain of retail credit jewelry stores and a wholesale diamond operation.

Property: Co. operates principal plants located as follows:

Tampa, Fla.	Marrero, La.
Lockland, O.	L'Anse, Mich.
Paris, Tenn.	Cody, Wyo.
San Antonio, Tex.	Burlington, N.J.
Bessemer, Ala.	Birmingham, Ala.
Chattanooga, Tenn.	Robinson, Ill.
Hialeah, Fla.	Monroe, O.
Abingdon, Ill.	

Subsidiaries

First Brentwood Corp.
Dixie Building Supplies, Inc.
Best Insurors, Inc.
Jim Walter International Corp.
Coast to Coast Advertising, Inc.
Mid-State Homes, Inc.
The Celotex Corp.
The Colombia Moulding Co.
Jim Walter Computer Services, Inc.
Jim Walter Homes, Inc.
Georgia Marble Co.
United States Pipe and Foundry Company
Jim Walter Papers, Inc.
Walter Land Co.
Jim Walter Resources, Inc.

Officers

J.W. Walter, Chmn. & Chief Exec. Off.
J.O. Alston, Vice-Chmn.
J B Cordell, Pres. & Chief Oper. Off.
B.G. Bretz, Exec. Vice-Pres.
J.W. Kynes, Senior Vice-Pres. & Sec.

Senior Vice-Presidents

W.D. Herbert	A.R. Lautz
T.L. Hires	A.F. Saraw

Vice-Presidents

J.F. Hegerich	W.J. Imhoff
William Carr	D.M. Ross
R.A. DeWitt	M.N. Richter
J. Cassato, Jr.	W.T. Robinson
Stanley Gurak	W.N. Temple
A. Flores	N.D. Zeigler
C.B. Hasty, Jr.	

K.J. Matlock, Vice-Pres., Fin.
C.F. Wilson, Vice-Pres.—Legal & Ass't Sec.
W.H. Weldon, Vice-Pres. & Contr.
D.M. Kurucz, Treas.

Directors

J.O. Alston	T.C. MacDonald, Jr.
J.B. Cordell	A.F. Saraw
W.D. Herbert	D.C. Searle
R.H. Herzog	G.M. Woodfin
T.L. Hires	Anders Wall
J.W. Kynes	J.W. Walter
R.F. Lanzillotti	

General Counsel: Shackleford, Farrior, Stallings & Evans, Tampa, Fla.

Auditors: Price Waterhouse & Co.

Annual Meeting: In Dec.

No. of Stockholders: Aug. 31, 1980: Preferred, 6,930; common, 9,860.

No. of Employees: Aug. 31, 1980, 23,200.

Office: 1500 North Dale Mabry Highway, Tampa, FL 33607. **Tel.:** (813)871-4811.

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

	[6]1980	1979	1978
Net sales	1,900,977	1,875,612	1,672,344
Time charges	65,636	56,070	46,682
Misc. income	17,622	16,596	15,947
Total sales & revs.	1,984,235	1,948,278	1,734,973
Cost of sales	1,536,898	1,480,718	1,304,770
Sell., etc. exp.	185,370	181,744	170,666
Depr., depl., etc.	50,009	42,088	39,740
Prov. for loss	8,951	7,338	6,788
Interest	83,297	78,925	63,136
Income taxes	46,850	66,213	67,845
Equity earns.	1,870	6,727	5,722
Extraord. credit	[5]9,472	....	....
Net income	84,202	97,979	87,750
Prev. ret. earn.	568,019	498,587	436,367
Pfd divs.	1,873	2,596	4,208
Com. divs.	29,584	25,951	21,322
Retain. earn.	[1]620,764	568,019	498,587
[3]Times chgs. earn.	2.57	3.08	3.46
[2]Earn., com. sh.	[4]$4.85	$5.65	$5.05

[1]$112,000,000 not restricted. [2]As reported on aver. shs., incl. com. sh. equiv.; $4.70 (1979, $5.45; 1978, $4.87) fully diluted. [3]Before inc. taxes. [4]$4.30 ($4.18 fully diluted) before extraord. credit [5]Arising from sale of sugar business. [6]Reflects chge. in acctg. for interest capitalization which increased net income by $10,503,000 ($0 61 a sh. [$0.58 fully diluted]).

Yr.-End Shs.:

	1980	1979	1978
Common	16,396,149	16,060,972	15,498,980

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

Assets:	1980	1979	1978
Cash	27,951	76,375	64,098
Receiv., net	1,005,594	905,140	799,418
[2]Inventories	323,047	315,637	284,234
Prepay., etc.	8,437	6,236	4,940
Total curr.	1,365,029	1,303,388	1,152,690
[1]Net prop., etc.	809,073	696,357	611,809
[3]Inv. First Brtwd.	42,458	42,088	36,861
Other invests.	4,751	2,621	3,246
Other assets	2,076	2,018	1,505
Unam. debt exp.	2,823	2,988	3,390
Total	2,226,210	2,049,460	1,809,501
Liabilities:			
Notes, etc., pay.	303,618	408,804	266,955
Accts. payable	103,663	105,756	106,119
Accruals	111,312	101,312	79,269
Income taxes	12,377	20,468	35,598
Def. inc. tax	129,907	109,126	93,192
Total curr.	660,877	745,466	581,133
Long tm. debt	668,153	493,751	514,915
Def. inc. tax	136,297	107,745	86,022
Accr. pens., etc.	40,356	34,714	29,164
5% pfd. ($20)	5,037	5,037	5,037
[4]$1 60 cv pfd.	152	208	301
Com. stk. ($0.16⅔)	2,733	2,677	2,583
Cap. exc. par val.	91,841	91,843	91,759
Retained earn.	620,764	568,019	498,587
Total	2,226,210	2,049,460	1,809,501
Net curr. assets	704,152	557,922	571,557
[1]Deprec., etc.	402,999	378,089	350,133

[2]Lower cost or mkt [3]At equity in net assets. [4]No par shs.: 1980, 844,602; 1979, 1,155,007; 1978, 1,671,744.

Auditor's Report: The following is an excerpt from the Report of Independent Auditors, Price Waterhouse Co., as it appeared in 1980 Annual Report.

"In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income and retained earnings and of source and application of funds present fairly the financial position of Jim Walter Corporation and consolidated subsidiaries at August 31, 1980 and 1979, and the results of their operations and information on funds for the years then ended, in conformity with generally accepted accounting principles consistently applied during the period except for the change, with which we concur, in the method of accounting for interest costs as described in Note 3 to the financial statements."

Long Term Debt: 1. Jim Walter Corp. sinking fund debenture 7⅞s, due 1997:

Rating—Baa

AUTH.—$50,000,000; outstg., Aug. 31, 1980, $37,452,000.
DATED—Mar. 1, 1972. DUE—Feb. 1, 1997.
INTEREST—F&A1 by mail to holders registered J&J15.
TRUSTEE—Manufacturers Hanover Trust Co., NYC.
DENOMINATION—Fully registered, $1,000 and any multiple thereof.
CALLABLE—As a whole or in part at any time on at least 30 days' notice to each Jan. 31 as follows:

1982	104.194	1983	103 813	1984	103.431
1985	103.050	1986	102.669	1987	102.228
1988	101.906	1989	101.525	1990	101.144
1991	100.763	1992	100.381		

thereafter 100. Not callable, however, prior to Feb. 1, 1982 thru refunding at interest cost less than 7⅞% per annum. Also callable for sinking fund (which see) at 100.
SINKING FUND—Annually each Feb. 1, to 1996, cash (or debs.) to retire $2,500,000 of debs., plus similar optional payments. Sinking fund designed to retire 95% of issue prior to maturity.
SECURITY—Co. will not, and will not permit any restricted subsidiary to, create, assume or permit to exist any mtge. or other lien on any principal property or any investments in any restricted subsidiary without securing debs. equally and ratably with other obligations thereby secured. Co. and its restricted subsidiaries shall not incur or become liable in respect of any senior debt unless thereafter senior debt does not exceed the sum of (a) 80% of net installment notes receivables and (b) 50% of adjusted consolidated net tangible assets.
DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock in excess of consolidated net income after Aug. 31, 1971, plus net proceeds from sale of stock, or debt converted into stock after such date, plus $50,000,000.
SALE & LEASEBACK—Co. will not nor will it permit any restricted subsidiary to enter into any sale and leaseback arrangement with respect to principal property, unless proceeds of such sale are at least equal to fair value thereof and Co. applies amount equal to cash proceeds of sale to retirement of outstg. senior debt.
RIGHTS ON DEFAULT—Trustee, or 25% of debs. outstg. may declare principal due and payable (30 days' grace for payment of interest).
INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66⅔% of debs. outstg.
LISTED—On New York Stock Exchange.
PURPOSE—Proceeds to repay portion of outstg. short-term notes.
OFFERED—($50,000,000) at 99.75 (proceeds to Co., 98.625) on Feb. 23, 1972 thru Loeb, Rhoades & Co.

PRICE RANGE—	1980	1979	1978	1977	1976
High	61¾	...	92	....	87
Low	60	....	85	....	79½

2. Jim Walter Corp. sinking fund debenture 9½s, due 1996:

Rating—Baa

AUTH.—$125,000,000; outstg., Aug. 31, 1980, $116,750,000.
DATED—Mar. 15, 1976. DUE—Feb. 1, 1996
INTEREST—F&A 1, payable at office of trustee, or by mail.
TRUSTEE—Bankers Trust Co., NYC.
DENOMINATION—Fully registered, $1,000 and any multiple thereof.
CALLABLE—As a whole or in part at any time on at least 30 days' notice to each Jan. 31, as follows:

1980	108.00	1981	107.50	1982	107.00
1983	106.50	1984	106.00	1985	105.50
1986	105 00	1987	104.50	1988	104.00
1989	103.50	1990	103.00	1991	102.50
1992	102.00	1993	101.50	1994	101.00
1995	100.50	1996	100.00		

Not callable, however, prior to Feb. 1, 1986 thru refunding at interest cost less than 9½% per annum. Also callable for sinking fund (which see) at 100.
SINKING FUND—Annually, on Feb. 1, to 1982-95, cash (or debs.) to retire $8,250,000 principal amount of deb.; plus similar optional payments. Sinking fund designed to retire 92 4% of issue prior to maturity.
SECURITY—Not secured. Co. nor any restricted subsidiary may create, assume or permit to exist any mortgage or other lien on any principal property or any investments in any restricted subsidiary (or in any banking, savings and loan or insurance subsidiary, whether or not a restricted subsidiary), without securing the debs. by such mortgage or lien prior in rank to or equally and ratably with all other obligations thereby secured, except (i) certain purchase money liens, (ii) liens on any principal property existing on the date of the indenture, (iii) liens on principal property owned by, or on investments in, any corporation existing or created at the time such corpo-

ration is merged into or consolidated with Co. or a restricted subsidiary or becomes a subsidiary, (iv) renewals or refinancings of the foregoing, (v) certain statutory liens or deposits, liens arising under government contracts and other contracts (other than for the payment of money), and liens arising in connection with taxes or litigation if not due and payable or being contested in good faith, (vi) liens on advances by Co. or any restricted subsidiary to any restricted subsidiary which is principally engaged in the business of constructing, selling or financing homes or partially-finished homes, (vii) liens securing indebtedness to Co. or a restricted subsidiary and (viii) other liens securing indebtedness not in excess of 2% of the adjusted consolidated net tangible assets of Co. and its restricted subsidiaries.

Co. and its restricted subsidiaries shall not in any manner, directly or indirectly, incur or become liable in respect of any senior indebtedness (other than renewals or extensions of senior indebtedness from time to time outstg.) unless after giving effect thereto the senior indebtedness of Co. and its restricted subsidiaries does not exceed the sum of (a) 80% of net instalment notes receivable and (b) 50% of the adjusted consolidated net tangible assets of Co. and its restricted subsidiaries.

SALE & LEASEBACK—OTHER PROVISIONS—Same as s.f. deb. 7⅞s, due 1997.

DIVIDEND RESTRICTION—Co. may not pay cash divs. or acquire any capital stock in excess of consolidated net income after Aug. 31, 1975, plus net proceeds from sale of stock or debt converted into stock after such date, plus $50,000,000.

PURPOSE—Proceeds to reduce short-term debt.

LISTED—On New York Stock Exchange.

OFFERED—($125,000,000) at 100 (proceeds to Co., 98.875) on Mar. 10, 1976 thru Loeb, Rhoades & Co. and Merrill Lynch, Pierce, Fenner & Smith, Inc. and associates.

PRICE RANGE—	1980	1979	1978	1977	1976
High	83⅛	96¾	103	105	101¾
Low	68	76⅛	98½	103	98¼

3. Jim Walter Corp., 6½% senior subordinated notes, due 1983:

AUTHORIZED—$12,500,000; outstanding, Aug. 31, 1980, $1,940,000.

DATED—1968 and 1969.

MATURITY—Aug. 1, 1983.

INTEREST—F&A1.

CALLABLE—As a whole or in part at any time on at least 30 days' notice beginning Aug. 1, 1971 to each July 31, incl. as follows:

1981 ....101.19 1982 .....100.60 1983 .....100.00

PREPAYMENTS—$960,000 each August 1, commencing Aug. 1, 1971.

WARRANTS—Expired in 1976.

4. Jim Walter Corp. first subordinated debenture 5⅞s, due 1981:

Rating—Ba

AUTHORIZED—$20,000,000; outstanding, Aug. 31, 1980, $3,458,000.

DATED—June 1, 1961.

MATURITY—June 1, 1981.

INTEREST—J&D1 at office of trustee.

TRUSTEE—Chase Manhattan Bank, New York.

DENOMINATION—Coupon, $1,000; registerable as to principal; fully registered, $1,000 and multiples thereof. C&R interchangeable.

CALLABLE—As a whole or in part at any time on at least 30 days' notice beginning June 1, 1966 to each May 31, incl., as follows:

1979 ......101 1980 ......100½ 1981 100

Also callable for sinking fund at 100.

SINKING FUND—Cash (or debentures) to redeem at par $1,000,000 debentures each June 1, 1966-80 plus similar optional payments.

SECURITY—Not secured; subordinated to superior debt; ranks prior to junior subordinated debentures.

CREATION OF ADDITIONAL DEBT—Company may not create any debt for borrowed money other than junior subordinated debt, superior debt and unsecured first subordinated debt if all superior debt plus all first subordinated debt do not exceed 400% of all junior subordinated debt and adjusted net worth.

DIVIDEND RESTRICTIONS—Company may not pay cash dividends or acquire stock in excess of consolidated net income after Feb. 28, 1961 plus $2,000,000 and net proceeds from sale after that date of stock, debt (other than junior subordinated debt) converted into stock and junior subordinated debt.

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66⅔% of debentures.

PURPOSE—Proceeds to reduce short term bank loans and finance sale on credit of shell homes.

WARRANTS—Expired June 1966.

PRICE RANGE—	1980	1979	1978	1977	1976
High	95⅝	92	86¾	86	78½
Low	89	86¾	82	77	66¼

5. Jim Walter Corp. subordinated 8s, due 1986:

Outstanding, Aug. 31, 1980, $519,000. Dated Sept. 1, 1955; due Dec. 31, 1986. Not callable until outstanding amount is reduced below $65,000; thereafter callable at highest of (1) $1,100; (2) highest market price in 12 months preceding and (3) $100 above mean market price in 12 months preceding. Not secured; subordinated to senior subordinated 5¾% notes due 1980 (No. 3, above); senior subordinated 6½% notes due 1983 (No. 4, above) and first subordinated debenture 5⅞s, 1981 (5) and senior to (7) below.

6. Jim Walter Corp. subordinated 9s, due 2000:

Rating—Ba

AUTHORIZED—$28,537,500; outstanding, Aug. 31, 1980, $2,476,000.

DATED—Sept. 1, 1955.

MATURITY—Dec. 31, 2000.

INTEREST—F28&A31 by mail to registered owner.

TRUSTEE—Flagship Bank of Tampa, Tampa, Fla.

DENOMINATION—Fully registered, $25, $100, $500 and multiples of $1,000.

CALLABLE—Not callable until less than 10% of bonds are outstanding, when remaining bonds are callable on 45 days' notice at highest of (1) 110, (2) highest market price in 12 months preceding and (3) 110% of the mean market price in 12 months preceding.

PURCHASE FUND—Annually, beginning Jan. 1, 1971, 10% of consolidated net income in excess of $500,000, for purchase of bonds at not exceeding face value; unexpended balance at end of such year reverts to company.

SECURITY—Not secured; subordinated to Nos. 1, 3, 4, 5 and 6 above.

OFFERED—($1,250,000), with 50,000 common shares, on Aug. 23, 1957 by Carl M. Loeb, Rhoades & Co., New York and Prescott, Shepard & Co., Inc., Cleveland, in units of one $25 bond and one common share at $48.50 per unit.

($1,250,000) at 105 (proceeds to company, 100) on June 18, 1959, by Alex. Brown & Sons, Baltimore, and associates. Proceeds to reduce long term debt; for home construction and other purposes.

PRICE RANGE—	1980	1979	1978	1977	1976
High	99⅛	....	99¾	100⅜	99½
Low	84	....	97⅝	99	96¾

7. Jim Walter Corp. convertible subordinated debenture 5¾s, due 1991:

Rating—Ba

AUTH.—$35,000,000; outstg., Aug. 31, 1980, $30,547,000.

DATED—Jan. 15, 1971. DUE—Jan. 15, 1991.

INTEREST—J&J15 by mail to holders registered on 15th day prior to interest date.

TRUSTEE—Chemical Bank, NYC.

DENOMINATION—Fully registered, $1,000 and authorized multiples thereof.

CALLABLE—As a whole or in part on at least 30 days notice to each Jan. 14, incl., as follows:

1981 .....103.00 1982 .....102.70 1983 .....102.40
1984 .....102.10 1985 .....101.80 1986 .....101.50
1987 .....101.20 1988 .....100.90 1989 .....100.60
1990 .....100.30 1991 .....100.00

SINKING FUND—Annually, prior to Jan. 15, 1981-1990, to retire debs., cash (or debs.) equal to $1,750,000 plus similar optional payments.

SECURITY—Not secured; subordinated to all senior debt.

CONVERTIBLE—Into com. at any time (if called on or before redemption date) at $42 per sh. No adjustment for interest or divs. except that debs. converted after record date and prior to interest payment date must be accompanied by an amount equal to such interest which registered holder is entitled to receive. Cash paid in lieu of fractional shs. Conversion privilege protected against dilution.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock unless sum of $25,000,000 plus or minus consolidated net income or loss of corp. and its subsidiaries, earned subsequent to Aug. 31, 1970 plus net proceeds of issuance after Aug. 31, 1970 capital stock and debt which has thereafter been converted into stock shall exceed sum of (i) all divs. expended by Co. after Aug. 31, 1970 and (ii) aggregate amount of expenditures after Aug. 31, 1970 for acquisition or retirement for value of any capital shs. other than pursuant to redemption of outstg. pfd. stock required to be made prior to Jan. 15, 1991.

RIGHTS ON DEFAULT—Trustee or 25% of debs. outstg. may declare principal due and payable (30 days grace for payment of interest; 60 days grace for payment of s.f. installment).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66⅔% of debs. outstg.

LISTED—On New York Stock Exchange.

PURPOSE—Proceeds to repay short-term notes.

OFFERED—($35,000,000) at 100 (proceeds to Co. 98.625) on Jan. 26, 1971 thru Loeb, Rhoades & Co. and A.G. Becker & Co., Inc. and associates.

PRICE RANGE—	1980	1979	1978	1977	1976
High	90½	90	91½	106	111
Low	70	77¾	75	81¼	85½

8. Jim Walter Corp. subordinated debenture 8s, due 1998:

Rating—Ba

AUTHORIZED—$75,000,000; outstanding August 31, 1980, $15,882,000.

DATED—July 31, 1973. DUE—Aug. 1, 1998.

INTEREST—F&A1.

TRUSTEE—Citibank, NYC.

DENOMINATION—Fully registered in denominations of $25, $100, $1000 and any integral multiple thereof.

CALLABLE—As a whole or in part at any time upon at least 30 days notice beginning August 1, 1973 to each July 31 incl. as follows:

1979 .....105.60 1980 .....105.20 1981 .....104.80
1982 .....104.40 1983 .....104.00 1984 .....103.60
1985 .....103.20 1986 .....102.80 1987 .....102.40
1988 .....102.00 1989 .....101.60 1990 .....101.20
1991 .....100.80 1992 .....100.40 1993 .....100.00
1994 .....100.00 1995 .....100.00 1996 .....100.00
1997 .....100.00

SINKING FUND—Annually, commencing in 1983, $814,000 prior to each August 1.

SECURITY—Not secured; subordinated to all senior and senior subordinated debt.

LISTED—On New York Stock Exchange.

PURPOSE—Issued in an exchange offer for shares of Co.'s common stock at rate of $25 principal amount of debs. for each share of stock under offer which expired July 30, 1973.

PRICE RANGE—	1980	1979	1978	1977	1976
High	75	81⅝	87¼	91⅛	90½
Low	53½	69	76	86⅜	80

9. Jim Walter Corp. 8½% Notes, due 1984:

AUTHORIZED—$150,000,000; outstanding, August 31, 1980, $150,000,000.

DATED—June 3, 1977. DUE—Nov. 30, 1984.

PAYMENT—Payable in six equal semi-annual installments on the last day of each May and November commencing Nov. 30, 1981.

PREPAYMENT—Co. may not prepay any of the notes, in whole or in part, prior to June 1, 1982. Partial prepayments shall be in the aggregate principal amount of $10,000,000 or any integral multiple thereof.

PURPOSE—Proceeds to be used to retire a portion of Co.'s short term debt.

OFFERED—Placed privately with a group of commercial banks in June 1977.

10. Jim Walter Corp. Floating Rate Notes, due 1990:

AUTHORIZED—$150,000,000; outstanding Aug. 31, 1980, $150,000,000.

DATED—Nov. 5, 1979. DUE—Apr. 30, 1980.

PAYMENT—Payable in ten equal semi-annual installments on the last day of each Apr. and Oct. beginning Apr. 30, 1985.

PREPAYMENT—Partial prepayment shall be in the aggregate principal amount of $10,000,000 or any integral multiple thereof, with a 1% premium penalty on any payments made prior to Nov. 1, 1984.

SINKING FUND—Semi-annual payments of $15,000,000 commencing Apr. 1985.

PURPOSE—Proceeds to be used to repay a portion of Co.'s short term debt.

OFFERED—Placed privately with a group of commercial banks in Nov. 1979.

11. Other Debt: Outstanding Aug. 31, 1980, $169,205,000 comprising:

(1) $29,995,000 9½% notes payable to 1985.

(2) $2,600,000 10¼% notes due to 1982.

(3) $80,000,000 10½% sr. sinking fund notes due 1987.

(4) $6,550,000 6.4%-6.95% Industrial Revenue and Pollution Control Bonds due 1990-2003.

(5) $50,000,000 11¾% notes payable due 1988.

(6) $60,000 other debt.

Under the most restrictive provisions of its various debt agreements Co. has agreed that (i) except as permitted, it will not, among other things, pay dividends, except stock dividends, or purchase, redeem or otherwise acquire any of its capital stock ($112,000,000 of retained earnings is not so restricted at August 31, 1980) and (ii) senior indebtedness and total indebtedness will not exceed specified tests ($190,000,000 and $299,000,000, respectively, are available for additional borrowings at August 31, 1980).

12. Subsidiary Debt: Outstanding Aug. 31, 1980, $14,275,000 notes payable and debentures of various consolidated subsidiaries.

Subsequent Subsidiary Financing: In Jan., 1981, Co. reported that the offering abroad of U.S. $25,000,000 Jim Walter International Finance N.V., subsidiary, guaranteed floating rate notes, Jan. 1988, at par, was completed. The notes were guaranteed by Co.

Capital Stock: 1. Jim Walter Corp. 5% cumulative preferred; par $20:

AUTH.—300,000 shs.; outstanding, Aug. 31, 1980, 251,860 shares; par $20.

PREFERENCES—Has preference ahead of all other stock for assets and divs.

DIVIDEND RIGHTS—Entitled to cum. divs. of $1 a sh. annually, payable quarterly.

DIVIDEND RESTRICTION—See long term debt, above.

DIVIDENDS PAID—Initial dividend of 25 cents paid Nov. 30, 1964. Regular dividends paid quarterly thereafter.

VOTING RIGHTS—None, except on default of divs. of $2 or more, then, until all unpaid divs. have been paid, pfd. has one vote per sh.; on default of divs. of $1.50 or more, then, until all unpaid divs. have been paid, pfd. is entitled to elect two directors in addition to those otherwise elected. Consent of 66⅔% of pfd. required to amend terms adversely.

LIQUIDATION RIGHTS—On any liquidation, entitled to $20 a sh., plus divs.

CALLABLE—As a whole or in part on any dividend date on at least 30 day's notice at $20 a sh. plus divs.
PREEMPTIVE RIGHTS—None.
LISTED—On NYSE (Symbol: JWC Pr).
TRANSFER AGENT—Chemical Bank, New York.
REGISTRAR—Chase Manhattan Bank N.A., N.Y.
PURPOSE—Issued (251,860 shs.) in Aug. 1964 pursuant to merger of Celotex Corp., under which one pfd. sh. was issued for each pfd. sh. of Celotex Corp.
DIVIDEND DISBURSING AGENT—Company.

PRICE RANGE—	1980	1979	1978	1977	1976
High	....	11¾	12⅜	12½	12⅞
Low	....	9½	10	11⅛	10⅛

2. Jim Walter Corp. $1.60 convertible fourth preferred; no par:

AUTHORIZED—3,700,919 shares; outstanding, Aug. 31, 1980, 844,602 shares; no par.
PREFERENCES—Has preference after 5% cum. pfd. and Third pfd. for assets and divs.
DIVIDEND RIGHTS—Entitled to cum. cash divs. of $1.60 a sh. annually, payable quarterly, Jan. 1, etc.
DIVIDEND RECORD—Initial dividend of $0.46⅔ per share paid Jan. 1, 1970; regular quarterly dividends paid thereafter.
LIQUIDATION RIGHTS—In any liquidation, entitled to $40 a sh., plus divs.
VOTING RIGHTS—Has one vote per sh. with non-cumulative voting for directors. If divs. are in arrears for $2.40 or more per sh. then voting as a class, is entitled to elect 2 additional directors.
CALLABLE—As a whole or in part on any dividend date on at least 60 day's notice after December 28, 1974 for $50 per sh. plus divs.
CONVERTIBLE—Into com. at rate of 1.08 common shares for each preferred share. Cash paid in lieu of fractional shs. conversion privilege protected against dilution.
PREEMPTIVE RIGHTS—None.
TRANSFER AGENT & REGISTRAR—Manufacturers Hanover Trust Company, New York.
PURPOSE—Originally issued in Aug. 1969 upon consummation of merger of U.S. Pipe into wholly-owned subsidiary of Company.
LISTED—On NYSE (Symbol: JWC Pr D).
DIVIDEND DISBURSING AGENT—JWC Corporate Headquarters, Tampa, Florida.

PRICE RANGE—	1980	1979	1978	1977	1976
High	40	38	37½	42⅜	48
Low	25	27⅞	27½	27½	31½

3. Jim Walter Corp. common; par 16⅔ cents:

AUTHORIZED—25,000,000 shares; outstanding, Aug. 31, 1980, 16,396,149 shares; reserved for conversion of preferred, 912,170 shares; reserved for conversion of debentures, 727,324 shares; reserved for options, 459,675 shares; par 16⅔ cents.

Par changed from 50 cents to 16⅔ cents in Nov., 1958 by 3-for-1 split; 16⅔ cents par shares split 3-for-1 Jan. 1, 1969.
VOTING RIGHTS—Has one vote per share.
PREEMPTIVE RIGHTS—None.
DIVIDEND RESTRICTION—See long term debt, above.
DIVIDENDS—Payments since 1954 (calendar years):

On 50 cent par shares:
1955 ......$0.30 1956 ......$1.20 1957 ......$0.90
1958 ...... 1.35

On 16⅔ cent par shares:
1959 ..... 0.70 1960-62 .....0.80 1963 ....0.85
1964-68 .....1.00 1969 ....0.30

On 16⅔ cent par shares after 3-for-1 split:
1969 ....0.30 1970 .....0.40 1971 .....0.47½
1972 ....0.57 1973 .....0.64½ 1974 .....0.77
1975 ....0.90 1976 .....1.10 1977 .....1.30
1978 ....1.50 1979 .....1.50 1980 .....1.85
[1]1981 ......0.95

[1]To Apr. 1.

TRANSFER AGENTS—Flagship Bank of Tampa; Citibank, NYC; First National Bank, Chicago.
REGISTRARS—Exchange National Bank, Tampa; Citibank, N.A., New York; Continental Illinois National Bank & Trust Co., Chicago.
DIVIDEND DISBURSING AGENT—JWC Corporate Headquarters, Tampa, Fla.
LISTED—On NYSE (Symbol: JWC); and Midwest and Pacific Stock Exchanges. Unlisted trading on Philadelphia and Boston Stock Exchanges. NASDAQ Symbol: WLTJ.

PRICE RANGE—	1980	1979	1978	1977	1976
High	37⅞	35⅞	35½	39⅜	44¼
Low	23½	26¼	26⅛	25½	28¼

Purchase Offer: In Nov. 1980, Co. offered to purchase its 9% subord. bonds, due 2000 at $100 plus accrued interest to Dec. 12, 1980 for each $100 principal amount of bonds. Offer expired Dec. 12, 1980.

WANG LABORATORIES, INC.

History: Organized in Massachusetts on June 30, 1955 as successor to a company founded in 1951.

July 1968 acquired Philip Hankins Inc. Arlington, Mass. for 101,720 shares (renamed PHI Computer Services, Inc.).

On Mar. 7, 1969, acquired Medical Systems and Data Corp. Renamed Wang Medical Systems, Inc.

On Sept. 1, 1970, acquired Digital Information Storage Corp.

In Sept. 1978 acquired Graphic Systems, Inc.

Business: Co. designs, manufactures, markets and services computers and related peripheral devices, which are combined into systems to perform (1) information processing applications involving technical and scientific problem solving, commercial or business, data processing and distributed data processing, and (2) word processing applications. These systems consist of central processing units with various quantities of memory combined with Keyboards, cathode ray tube displays, printers, and depending on application, assorted additional peripheral devices. Co. manufactures most of 68 peripheral devices offered with its systems.

Subsidiaries

Wang Laboratories (Taiwan) Ltd.
Wang Financial Corp.
Wang International Trade, Inc.
Wang Voice Communications Systems Inc.
Wang Puerto Rico, Inc.
Wang Americas, Inc.

International Subsidiaries

Wang Computer Pty. Ltd., Australia
Wang Gesellschaft m.b.H., Austria
Wang Europe, S.A./N.V., Belgium
Wang Trading A.G., Switzerland (inactive)
Wang (U.K.) Ltd.
Wang France S.A.R.L., Paris, France
Wang Pacific Ltd., Hong Kong
Wang Nederland B.V., Netherlands
Wang Skandinaviska AB, Sweden
Wang Industrial Co., Ltd., Taiwan
Wang Laboratories (N.A.) N.V.
Wang Laboratories (Ireland) B.V.
C.S. Computer Services Ltd., U.K. (inactive)
Wang Computer Ltd., Japan
Wang Computer Ltd., New Zealand
Wang de Panama (CPEC) S.A., Panama
Wang Computers (Pte) Ltd., Singapore
Wang Computers (South Africa) (Pty.) Ltd. (inactive)
Wang A.G., Switzerland
Wang Computadoras, Inc., Puerto Rico
Wang Latin America, S.A., Venezuela (inactive)
Wang Deutschland, GmbH

Property: Co. owns 612,000 sq. ft. of space in Tewksbury, Mass. and 209,000 sq. ft. in Lowell, Mass. for manufacturing operations and customer engineering personnel. In Jan. 1979, Co. started manufacturing printed circuit boards in a leased 16,000 sq. ft. facility in Juncos, Puerto Rico. Administration, sales, marketing and development center is located in a 273,000 sq. ft. complex in Lowell, Mass. Co. also owns, 80,000 sq. ft. facility in Burlington, Mass., 21,500 sq. ft. facility in Utrecht, Holland and 35,334 sq. ft. facility near Brussels, Belgium.

Co. leases various sales offices located in 40 states, Wash. D.C., Puerto Rico, Canada and overseas.

Executive Officers

An Wang, Chmn. & Pres.
H.H.S. Chou, Exec. Vice-Pres. & Treas.
J.F. Cunningham, Exec. Vice-Pres.
Johannes Spanjaard, Senior Vice-Pres.
E.D. Grayson, Vice-Pres., Sec. & Gen. Counsel

Directors

An Wang	J.C. Hodge
P.A. Brooke	Martin Kirkpatrick
C.E. Goodhue, III	E.F. Stockwell, Jr.
J.F. Cunningham	L.C. Wang
H.H.S. Chou	L.L. Beranek

Auditors: Ernst & Whinney.

General Counsel: Goodwin, Procter & Hoar.

Annual Meeting: In Oct.

No. of Stockholders: June 30, 1980: Class B com., 12,697; Class C com., 5,955.

No. of Employees: June 30, 1980, 11,670.

Executive Office: One Industrial Ave., Lowell, MA 01851. **Tel.:** (617)459-5000.

Consolidated Income Account, years ended June 30 ($000 omitted):

	1980	1979	1978
Net sales & revs.	503,132	299,041	185,404
Rental & oth. inc.	40,140	22,524	12,730
Total	543,272	321,565	198,134
Cost of sales	242,338	137,774	85,016
Sell., etc., exp.	207,212	128,281	79,578
Interest	15,909	7,925	4,948
Income taxes	25,700	19,000	13,000
[1]**Net income**	52,113	28,585	15,592
Prev. ret. earn.	81,734	55,149	40,698
Divs. (cash)	3,648	2,000	1,141
Retained earn.	[3]130,199	81,734	55,149
[2]Earn., com. sh.	$2.00	$1.17	$0.69
Yr. end com. shs.	25,454,188	24,179,960	11,404,752

[1]After $30,048,000 (1979, $17,070,000; 1978, $9,743,000) depr. & amort. [2]On 26,591,000 (1979, 24,441,972; 1978, 22,585,414) avg. com. and class B com. shs. outstanding during respective years. [3]$41,356,000 not restricted.

Consolidated Balance Sheet, as of June 30 ($000 omitted):

Assets:	1980	[4]1979
Cash	6,706	5,002
Receiv., net	167,475	86,638
[2]Inventories	208,747	108,674
Prepay.	11,392	6,442
Total curr.	394,320	206,756
[1]Net prop., etc.	128,817	74,703
Other assets	55,316	22,765
Total	578,453	304,224
Liabilities:		
Notes, etc., pay.	40,840	11,256
Accts., etc., pay.	108,254	54,232
Divid. pay.	917	865
Income taxes	3,329	3,454
Total curr.	153,340	69,807
Long term debt	214,117	111,178
Def. inc. tax	19,500	5,000
Com. stk. ($0.50)	2,063	2,063
Cl. B stk. ($0.50)	10,699	10,043
Cap. exc. par val.	50,580	25,011
Retained earn.	130,199	81,734
Stkhld. equity	193,541	118,851
[3]Reacq. stk.	2,045	612
Net stkhld. eq.	191,496	118,239
Total	578,453	304,224
Net curr. assets	240,980	136,949
[1]Deprec.	23,461	13,468

[2]Lower approx. cost (fifo) or mkt. [3]Shs. at cost: 1980, 2,412 cl. B & 68,478 cl. C; 1979, 9,566 cl. B & 22,280 cl. C. [4]Reclassified for comparative purposes.

Long Term Debt: 1. Wang Laboratories, Inc. convertible subordinated debenture 9½s, due 2005:

Rating—Ba

AUTH.—$100,000,000; outstg., Dec. 2, 1980, $100,000,000.
DATED—Dec. 1, 1980. DUE—Dec. 1, 2005.
INTEREST—J&D 1 to holders registered M&N 15.
TRUSTEE—Chase Manhattan Bank, N.A.
DENOMINATION—Fully registered, $1,000 or any integral multiple thereof. Transferable and exchangeable without service charge.
CALLABLE—As a whole or in part at any time on at least 30 but not more than 60 days' notice to each Nov. 30 as follows:
1981 .....109.50 1982 .....108.87 1983 .....108.23
1984 .....107.60 1985 .....106.97 1986 .....106.33
1987 .....105.70 1988 .....105.07 1989 .....104.43
1990 .....103.80 1991 .....103.17 1992 .....102.53
1993 .....101.90 1994 .....101.27 1995 .....100.63
and thereafter at 100. Also callable for sinking fund (which see) at 100.
SINKING FUND—Annually, Dec. 1, 1991-2004, sufficient to redeem $5,000,000 principal amount of debs., plus similar optional payments. Sinking fund is designed to retire 70% of debs. prior to maturity.
SECURITY—Subordinate to all senior indebtedness.
CONVERTIBLE—Into com. at any time at $50 per sh., subject to adjustment.
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.)
LISTED—On American Stock Exchange.
PURPOSE—Proceeds initially to repay Co.'s notes under its revolving credit agreement, and the balance will be temporarily invested in short-term marketable securities.
OFFERED—($100,000,000) at 100 plus accrued interest (proceeds to Co., 98.875) on Dec. 2, 1980 thru Merrill Lynch White Weld Capital Markets Group and associates.
PRICE RANGE—1980, 102¾-102¾.

2. Other Long Term Debt: Outstanding June 30, 1980, $119,432,000 comprised of:

(1) $20,000,000 9% term loans payable in sixteen quarterly installments commencing in 1980.

(2) $20,000,000 9¼% term loans payable in twenty equal quarterly installments commencing in 1981.

(3) $20,000,000 10½% term loans payable in thirteen equal quarterly installments commencing in 1982.

(4) $20,000,000 10⅞% term loans payable quarterly beginning 1982.

(5) $5,000,000 9¾% subordinated note payable to Massachusetts Capital Resource Co. 1983-1988.

(6) $33,084,000 4%-9⅞% mortgage notes payable 1979-2012.

(7) $1,348,000 other.

Under terms of revolving credit agreement Co. may issue up to $100,000,000 of its revolving credit notes at prime interest rate. Such notes will mature Feb. 28, 1982 at which time outstanding amounts will be payable in equal quarterly installments over a four year period.

Co.'s debt agreements have restrictive covenants which include, among other things, limitations on total liabilities as a percentage of stockholders' equity, requirements to maintain specified levels of working capital, limitations on aggregate bank indebtedness, and restrictions on payment of cash dividends. Unrestricted consolidated retained earnings amounted to $41,356,000 at June 30, 1980.