

TO: CILLICK MCGRAW
RANDALL JONES

Apr. 30, 1992

FROM: Bill Snyder

RE: N.P. V. MONTATO, N/A.

A) ① 1991 ASSETS

G.E.	168,259	(in millions)
MONTATO	9,217	
WESTISE	20,159	
	<u>197,635</u>	TOTAL

B) 1991 PROFITS

G.E.	4,435
MONTATO	296
WESTISE	(1,100)*
	<u>3,631</u>
	TOTAL

* SEE ATT. ART. FROM WSJ

(W) TOOK a DISCRETIONARY 2.6 BILL. WRITE OFF -
SO ARGUABLY THEY HAD a 1.5 BILL. PROFIT FOR
1991.

② SEE - FORBES - Apr. 27, 1992

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WSJ

AP.30, 1992

Westinghouse Says It Expects to Post Turnaround in '92

By GABRIELLA STERN

Staff Reporter of THE WALL STREET JOURNAL

PITTSBURGH—Westinghouse Electric Corp., which last year had a net loss of \$1.09 billion as it grappled with severe problems in its financial-services unit, expects to post a profit this year.

"We should be profitable in 1992," said Paul E. Lego, Westinghouse chairman, at a briefing prior to the company's annual meeting here yesterday. However, he cautioned that his forecasts have been wrong in the past, referring to an overly optimistic outlook he gave in 1990 for the 1991 year. Westinghouse took \$2.6 billion in pretax charges in 1990's fourth quarter and 1991's third period as a result of real-estate loan losses.

Mr. Lego also said that Westinghouse, which cut 4,000 jobs last year, may pare staff further. He declined to elaborate. Westinghouse has more than 100,000 employees world-wide in its businesses that include power generation and environmental services.

Mr. Lego acknowledged that Westinghouse had considered selling some core businesses last year to raise cash, including the \$332 million broadcasting unit. But he said that in 1992, with a new \$6 billion bank line of credit in place, "we don't have to sell any of the major portfolio businesses."

As for the financial-services unit, where loans are being sold off as fast as possible, Mr. Lego declined to say whether Westinghouse ultimately will stay in the business. Westinghouse will begin pitching soon a \$500 million equity offering — if the Securities and Exchange Commission approves the company's application to issue preferred equity redemption cumulative stock, or percs.

The annual meeting — the company's third-largest ever with about 1,000 participants — was marked by dozens of angry questions and comments by shareholders who have seen the stock's value plummet during the past 12 months and their dividend halved to 18 cents a share quarterly.

Yesterday, in composite trading on the New York Stock Exchange, Westinghouse common closed at \$18.625, off 25 cents, on volume of 601,600 shares.

Mr. Lego repeatedly came under attack for a stock-option plan he received in 1991 that allotted him 700,000 shares at \$22.28 each. The stock has been trading at around \$18 a share. Noting that his annual and long-term bonuses were eliminated last year, Mr. Lego defended the added stock options as "the most appropriate way to motivate management."

One shareholder, Willard Andrew, of Ashland, Ohio, wanted to know "when the board . . . is going to recruit world-class executives?" Replied Mr. Lego: "We have world-class executives leading this organization."

Royce Laboratories Inc.

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