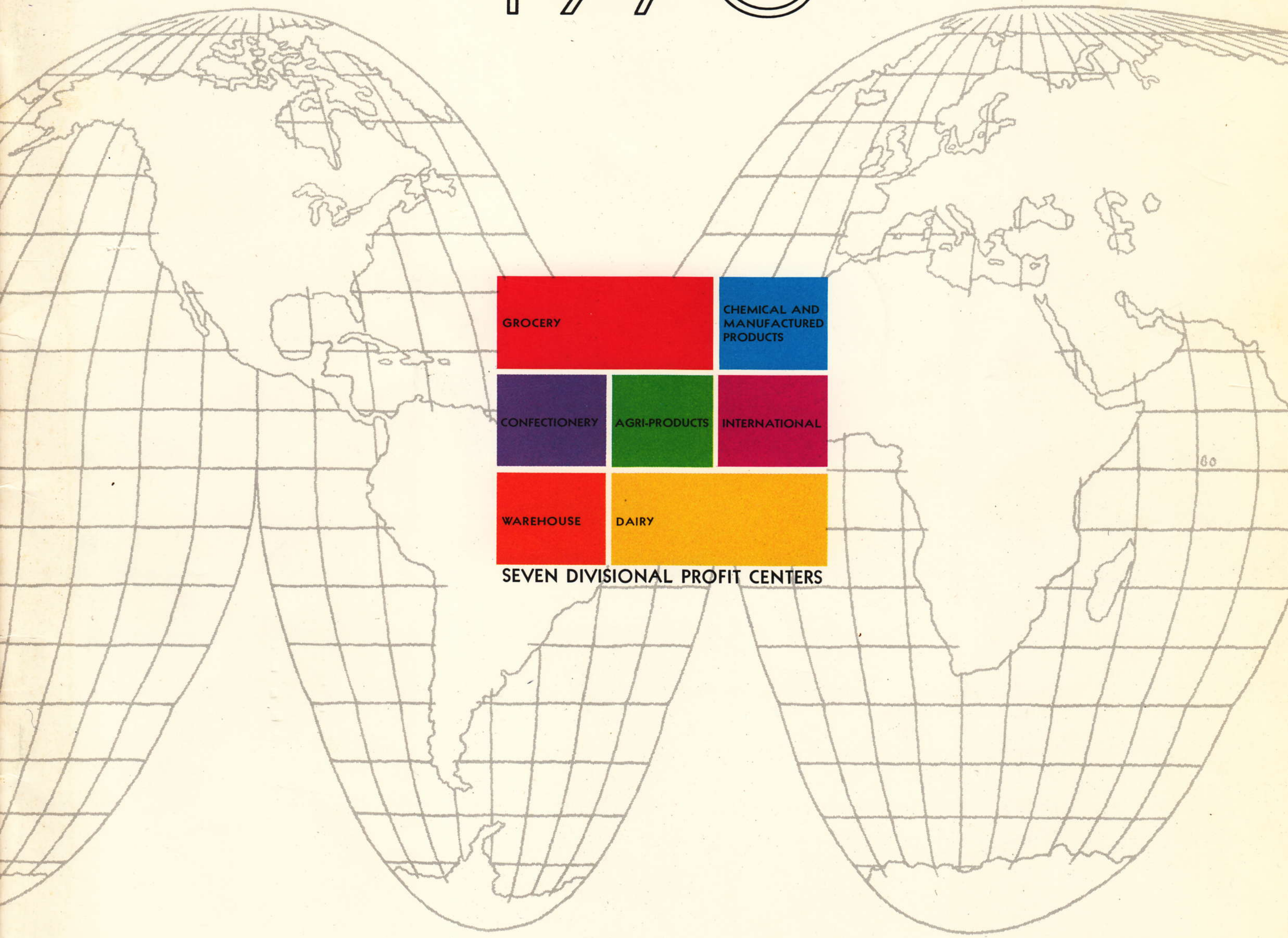
BEATRICE FOODS CO.

72ND ANNUAL REPORT FOR THE FISCAL YEAR ENDED FEBRUARY 28

1970



SEVEN DIVISIONAL PROFIT CENTERS

BEATRICE FOODS CO. ANNUAL REPORT
FOR THE FISCAL YEAR ENDED FEBRUARY 28, 1970

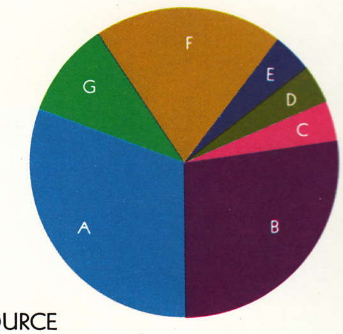
HIGHLIGHTS OF THE YEAR

	FEBRUARY 28, 1970	FEBRUARY 28, 1969	PER CENT OF INCREASE
Net Sales	$1,576,064,808	$1,350,011,447	17
Net Earnings After Taxes	52,931,437	45,182,473	17
Per Share of Common Stock (Note)	2.03	1.94	5
Working Capital	217,857,895	184,935,329	18
Stockholders' Equity	367,941,103	307,073,717	20
Dividends Paid	26,156,465	20,665,968	27
Per Share of Common Stock	1.00	.88⅞	13
Number of Stockholders	26,716	23,998	11
Restating Fiscal 1969 to Include Companies Acquired in Fiscal 1970 Poolings of Interests:			
Net Sales	1,576,064,808	1,433,437,411	10
Net Earnings After Taxes	52,931,437	50,107,620	6
Per Share of Common Stock (Note)	2.03	1.96	4
Stockholders' Equity	367,941,103	336,289,212	9

Financial data in this report include all domestic and international affiliates. In last year's annual report, the financial data included only domestic and Canadian subsidiaries and wholly-owned subsidiaries operating in Europe. Wherever reference is made to figures "reported" for last year, such figures have been adjusted to include financial data with respect to all international affiliates.

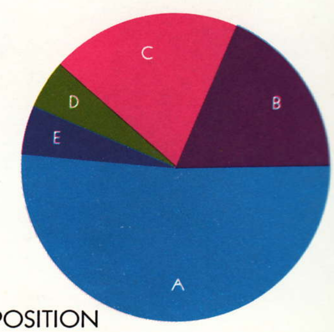
Note—See note 13 to Financial statements (Page 22) for additional data.

BEATRICE SALES DOLLAR 1970



SOURCE

A. Dairy	31¢
B. Grocery	27¢
C. Confectionery	4¢
D. Warehousing	4¢
E. Agri-Products	4¢
F. Chemical and Manufacturing	20¢
G. International*	10¢
TOTAL	$1.00



DISPOSITION

A. Materials	52¢
B. Wages and salaries	18¢
C. Supplies and other expenses	20¢
D. Taxes	5¢
E. Dividends to stockholders and earnings retained in the business	5¢
TOTAL	$1.00

*In prior years the sales of consolidated international operations were included with sales of other divisions.

73rd ANNUAL MEETING

The 73rd Annual Meeting of Stockholders will be held at 10:30 A.M. (P.D.T.) on Wednesday, June 3, 1970, in the Ballroom of the Biltmore Hotel, 515 S. Olive St., Los Angeles, Calif.

CONTENTS

Paul T. Kessler, Jr.
Executive Vice President,
Finance, Administration, International

Harry Niemiec
Executive Vice President,
Grocery, Confectionery

Don L. Grantham
Executive Vice President,
Dairy, Warehouse, Agri-Products

TO THE STOCKHOLDERS OF BEATRICE FOODS CO.

William G. Karnes
President,
Chief Executive Officer

"Sales and earnings increased for the 18th consecutive year..."

As THE RESULT of its greatest decade of progress, your company advanced into the 1970's in the strongest position in its history.

The thrust of the Sixties was to expand and diversify the base of Beatrice Foods without materially changing its basic character. Our primary objectives were to increase the financial, production, and marketing strengths of your company, and to improve the stability of its growth in earnings.

The following highlights of the past decade are an indication of how your company steadily has expanded:

- Four new divisions were formed—Agri-Products, Chemical and Manufactured Products, Confectionery and International.
- The number of profit centers was increased to 281 from 118 in the United States and 26 other nations around the world. These profit centers are augmented by 263 branch plants and distribution centers.
- The three previously established divisions, Dairy, Public Warehousing and Grocery, all recorded substantial growth.
- One of the fastest-growing divisions of your company in the last decade was International. In 1960, Beatrice Foods had no plants or branches outside the United States. At the close of the fiscal year, Beatrice was a world-wide company with 91 plants and branches outside the United States, including 64 dairy, candy and food plants.
- The family of Beatrice employees increased to 39,700 from 13,600 in 1960. Our management group now is more than 1,000 strong. We believe we have the finest management-employee team in our history.

A significant yardstick of the effect of these accomplishments is the financial progress in the Sixties on a reported basis:

- Sales increased by $1.1 billion, or 256 per cent.
- Net earnings increased by $43 million, or 413 per cent.

■ Earnings per share of common stock increased 139 per cent to $2.03, from 85 cents.
■ Stockholders' equity rose to $368 million from $104 million.
■ Working capital increased to $218 million from $52 million.
■ Return on net worth increased to 15 per cent from 10 per cent 10 years ago.
■ Net earnings as a per cent of sales went up to 3.36 from 2.33.
■ During the decade, four common stock distributions were made and the dividend was increased eight times. One share of stock as of March 1, 1960, has become 4.5 shares as of March 1, 1970, with an equivalent dividend of $4.50.

The objective of the 70's is to capitalize on this momentum of development and the many strengths of your company to increase our rate of growth. What Beatrice achieved in the Sixties in becoming a multi-national, multi-product company with its primary emphasis upon foods and related services, it is now equipped to surpass in the Seventies.

YEAR IN REVIEW

■ *Sales.* Dollar sales increased for the 18th consecutive year and totaled $1,576,064,808, an increase of $226,053,361, or 17 per cent, from the year previous on a reported basis. In the last two years, sales have increased $483 million on a reported basis, reflecting the continuing growth of your company. Restated to reflect "poolings of interests" mergers, this year's increase was $142,627,397.

Sales of foods and related products and services—including animal feed supplements and by-products and public warehousing—accounted for $1.2 billion, or 78 per cent of total sales for the last fiscal year.

■ *Earnings.* Net earnings increased for the 18th successive year to $52,931,437, a gain of $7,748,964, or 17 per cent, from net earnings reported in the preceding year. After restating the prior year's net earnings to include earnings of companies acquired in poolings of interests, the increase was $2,823,817.

Net earnings per common share increased five per cent to $2.03 from $1.94 reported for the previous year. Restated for poolings, the net earnings in the preceding year were $1.96 per share.

All earnings per common share, dividend and outstanding common stock figures in this report have been adjusted for the common stock distribution on March 3, 1969, of one additional share for each share held.

Net earnings per share of common stock would be reduced only four cents in the year by assuming full conversion of preference stocks as against five cents for the prior year.

■ *Capital Stock.* At Feb. 28, 1970, there were four series of convertible preference stock outstanding, comprising a total of 568,093 shares. There were 25,021,850 shares of common stock outstanding.

■ *Dividends.* Record dividends of $26,156,465 were paid on preference and common stocks during the fiscal year, an increase of 27 per cent from $20,665,968 paid the previous year.

On March 3, 1969, your directors established a new annual dividend rate of $1.00 per share. This amounted to a 10 per cent increase after the common stock distribution.

■ *Capital Expenditures.* Your company invested a record $50 million in property, plant construction and equipment during the fiscal year. This compares with a total investment for the previous year of $39 million. A total of 43 major projects were initiated, including 19 for dairy plants and 13 for grocery and confectionery plants.

The above figures exclude plant and equipment acquired as parts of going businesses.

■ *Working Capital.* Working capital increased for the 25th consecutive year. The total at year end was $217,857,895, compared to $184,935,329 at the end of the previous year. The increase of $33 million was the largest in the company's history and included $16 million from companies acquired in poolings of interests mergers.

■ *Finance.* During the fiscal year, your company took two steps to provide long-term funds necessary to finance growth both in the United States and overseas.

Domestically, our $35 million double A rated $7\frac{7}{8}$ per cent, 25-year sinking fund debentures were sold successfully to the public on Sept. 9, 1969, at 99.75 per cent of principal amount.

Overseas, our finance subsidiary offered to the public $15 million in Eurodollar debentures due in 1985 on Feb. 17, 1970. Priced at par with a coupon of nine per cent, the debentures, which are fully guaranteed by your company, were substantially oversubscribed. The proceeds from the sale of these debentures were used to refund more costly short-term Eurodollar debt incurred to comply with the U.S. Government's foreign direct investment regulations.

■ *Stockholders' Equity.* Stockholders' equity increased $61 million, or 20 per cent, to a record $368 million. Restated for poolings, the increase was $31 million, or nine per cent. Book value of each share of common stock increased for the 33rd consecutive year.

■ *Legal Proceedings.* On Dec. 1, 1969, the Federal Trade Commission entered its Final Order dismissing the 1965 Robinson-Patman complaint against your company which alleged that it had granted discriminatory prices on fluid milk and dairy products to certain customers in the West Virginia area.

A number of other proceedings involving practices common to our industries have been favorably concluded. The few such proceedings still pending are not deemed material by counsel and management.

■ *Management.* G. A. Costanzo, executive vice president of the First National City Bank, New York, N.Y., was elected as a new director of your company at the Annual Meeting in June, 1969. John W. Hoermann, general manager of the Confectionery Division and president of M. J. Holloway Division, was elected a vice president. Charles H. McConnell retired June 1, 1969, as a vice president and manager of the Iowa-Missouri Dairy District after 43 years of distinguished service.

■ *Stockholders.* The number of stockholders in your company increased for the 19th consecutive year and totaled 26,716 at year end. We truly appreciate the many constructive suggestions and encouragement we have received from our stockholders.

■ *The Future.* The progress of your company last year and all through the Sixties primarily is the result of the superior performance and dedication of our management-employee team. It is their creativity, their production and marketing skills and their abilities to capitalize on the potentials and facilities of Beatrice that encourage confidence of even greater growth of your company in this new decade.

Yours sincerely,

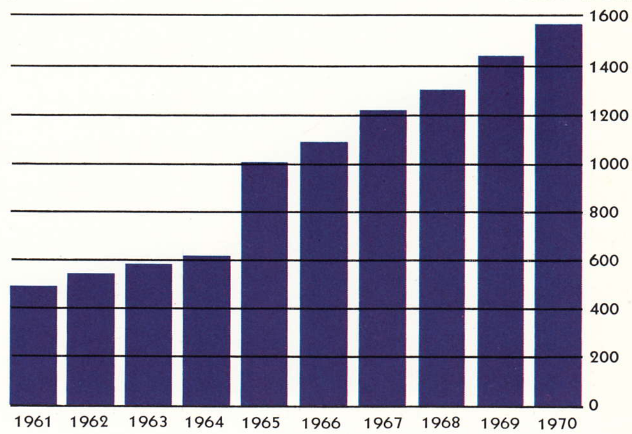
William G. Karnes

William G. Karnes
President

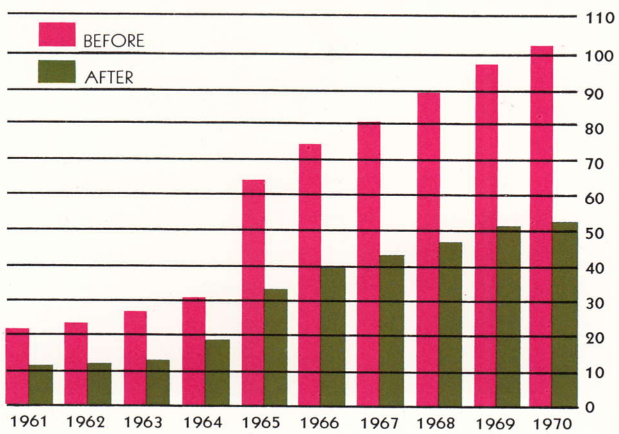
BEATRICE FOODS CO. & SUBSIDIARIES

A DECADE OF PROGRESS

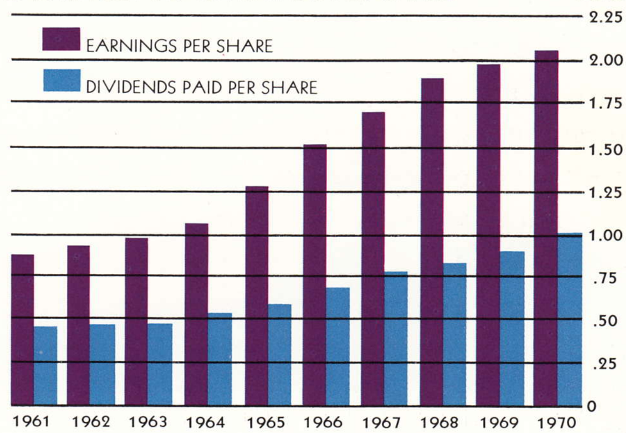
SALES



EARNINGS before and after taxes

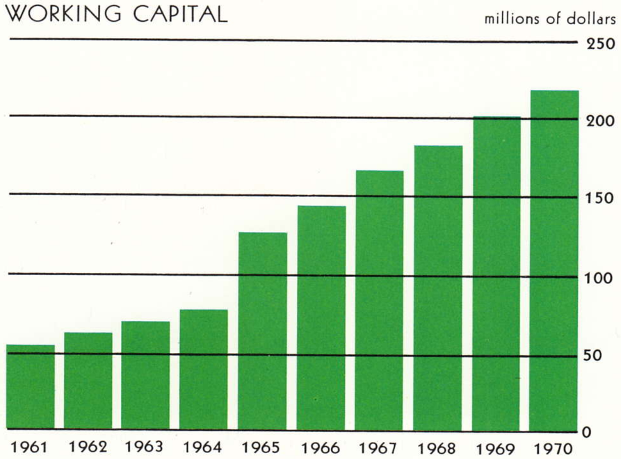


EARNINGS AND DIVIDENDS PER SHARE



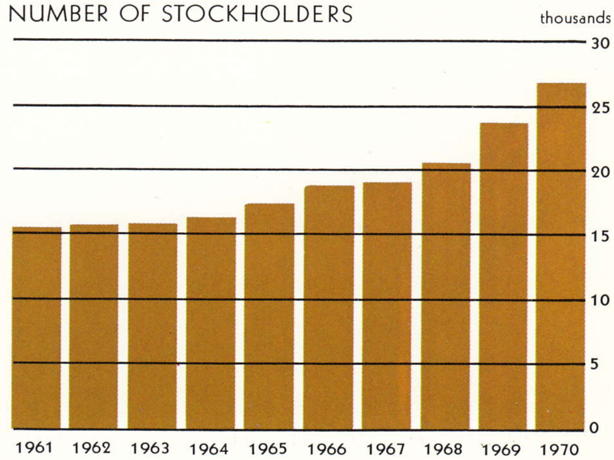
Adjusted for stock distribution on March 3, 1969, of one share for each share held.

WORKING CAPITAL



Years commencing with 1965 have been restated for subsequent pooling of interests mergers in all applicable charts.

NUMBER OF STOCKHOLDERS



THE EXPANDING WORLD OF BEATRICE

THE SEARCH for better products and services—to meet a need, satisfy a want, fulfill a dream—is an ever-challenging goal throughout Beatrice Foods Co.

Always spurring its people forward is the incentive to improve the old and introduce the new . . . to provide for the changing needs of our customers in a world market that continuously is expanding with more people, more leisure time and more income.

From the day it was founded in 1894 with butter as its first product, Beatrice has expanded steadily. Today, the company processes or manufactures more than 7,000 products and provides hundreds of specialized services ranging from computerized warehousing to creative and graphic arts throughout the world.

Attuned to the quickening tempo of the global economy, Beatrice continues to accelerate its programs for the development of new and substantially improved products, more sophisticated facilities to produce them, new packaging and distribution techniques and advancements in marketing. More than 400 new or substantially improved products were introduced in the last fiscal year. An even larger number is scheduled for the first year of a new and even more challenging decade.

Presented on these and the following pages is a review of some of the new products and facilities and the major divisional developments in The Expanding World of Beatrice.


PIZZA
Lambrecht
Oatmeal Logs
1¼ LBS. 59¢
Happy
MURRAY'S
ZOOPER
oatmeal creme cakes
Meadow Gold
creamed cottage
SAUSAGE
CHEESE
ZAS
Lambrecht
39¢
CHEESE
FLAVORED
Meadow Gold
GOURMET
ICE CREAM
royal dutch chocolate
OLIVE OIL
Bond's
BURNY
VIVA
CHOCOLATE FLAVORED
FORTIFIED
LOWFAT MILK
VIVA
2%
LATE FLAVORED
D LOWFAT MILK
Lara Lynn
CHOCOLATE
FLAVORED
hit
snack crackers
Lara Lynn
Rug Spot
Remover
BAKED
CHEESE
FLAVORED
39¢
ADAMS
KORN
KURL
RINGS
ADAMS
PINK
LEMONADE
JET SET
V-H
FRIED RICE
AND CHICKEN
RELISH
ROYAL
Chocolate
COCONUT
CLARK
CLARK
Shedd's
PeaNut
BUTTER
'n
marshmallow
Fisher's
Salted
PISTACHIOS
BOBBY HULL
10¢
AN ALL STAR BAR
Jaeger's
Round 'n Ro
WHITE ENRICHED BREA
Milk Chocolate

RESEARCH & DEVELOPMENT

Planning and preparing for the future is an expanded staff of scientists, biologists, engineers, chemists and special technicians in Beatrice Research and Development laboratories around the world.

From R & D last year came more than 150 new or better food products . . . snacks, sauces . . . candies . . . cakes and cookies . . . frozen puddings and whips . . . high-energy and diet beverages . . . along with the hundreds of flavorings, seasonings and powdered specialties for use both as ingredients and as finished items . . . some of which are shown on the preceding two pages.

Other research and development produced an equally extensive range of non-food products. Among them (shown above) were distinctive and more durable finishes for leather, high-styled lamps, tables, desks, chairs and draperies, "super" lawn sprinklers, graduation gowns, clothing valets, coffee makers, coat racks, sun glasses, soft ice cream dispensers, outdoor barbecues and special lubricants for snowmobiles.

DAIRY DIVISION

Sales of the Dairy Division were $493 million. This excludes sales of international dairy companies amounting to $75 million now reported as a part of the International Division.

In the last decade, the domestic division, which operates 82 plants and 200 branches in 46 states and the District of Columbia, has added $150 million to its sales.

This steady growth has come from the division's continuing program for improving sales and earnings through diversification, by developing new products, new markets, new packaging, new presentations of products with high consumer acceptance and new forms of distribution.

The division introduced more than 20 new products during the last fiscal year. Among them were a line of low-fat milk products and cottage cheese marketed under the Viva brand, Go Lightly, a low-fat, protein-fortified milk, Gourmet ice cream, Zooper Dooper ice cream and frozen dessert novelties and Zooper Dooper fruit drinks in six-pack plastic disposable bottles.

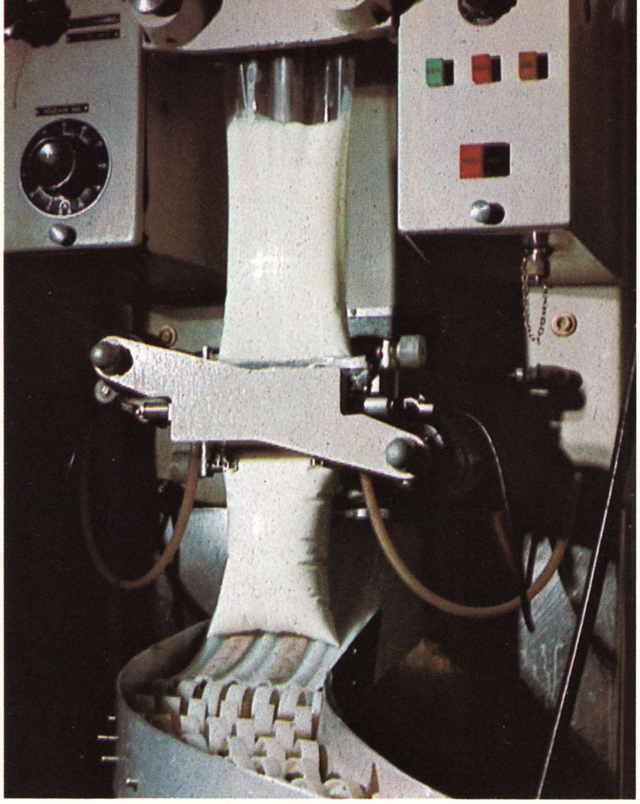
Others include Royal Danish dairy-type products, Swiss style yogurt, Danny frozen flavored yogurt on sticks and in cups and Swiss Miss Dark Chocolate. More than 80 new products, flavorings and powders were in development in Meadow Gold's laboratories.

The division continued to expand and modernize facilities, increase efficiencies and extend capacities. New dairy plants were opened at Somerset, Pa., and Cedartown, Ga. A second Dannon Yogurt plant was completed at Minster, Ohio, new yogurt facilities were added at Salt Lake City, and an aseptic milk plant was opened in Burlington, Wis. Additions and improvements were made at 14 milk and ice cream plants.

Following extensive market tests, a new carton design for Meadow Gold milk products was introduced in September. Consumer testing for new Meadow Gold ice cream cartons was begun in New York City and Denver early in 1970.

The division also is conducting scientific studies, in conjunction with leading universities, to develop new marketing systems and techniques for the dairy products of today and tomorrow. It also is expanding its advertising and sales promotion campaigns which include endorsement of Meadow Gold milk by the Major League Baseball and American Football League Players Associations.

Implementing all of this coordinated program for the future is a team of 10,000 trained dairymen directing their efforts toward the goal of doubling the Dairy Division's sales in the Seventies.



Fresh milk is "bottled" in flexible plastic quart containers at Ideal Dairy Division in Oshawa, Ontario, Canada. Meadow Gold plans to introduce new plastic containers in the United States in 1970.

GROCERY DIVISION

The Grocery Division, with sales of $424 million, accelerated its progress in the development of new products, new plants and facilities, distribution, consolidation of functions and marketing and customer services.

During the year, member companies of the division introduced more than 150 new or substantially improved products, all in the convenience, snack or gourmet categories. Approximately 90 more were scheduled for introduction in 1970. In the past year, more than 50 per cent of the Grocery Division's sales came from products five years old or less.

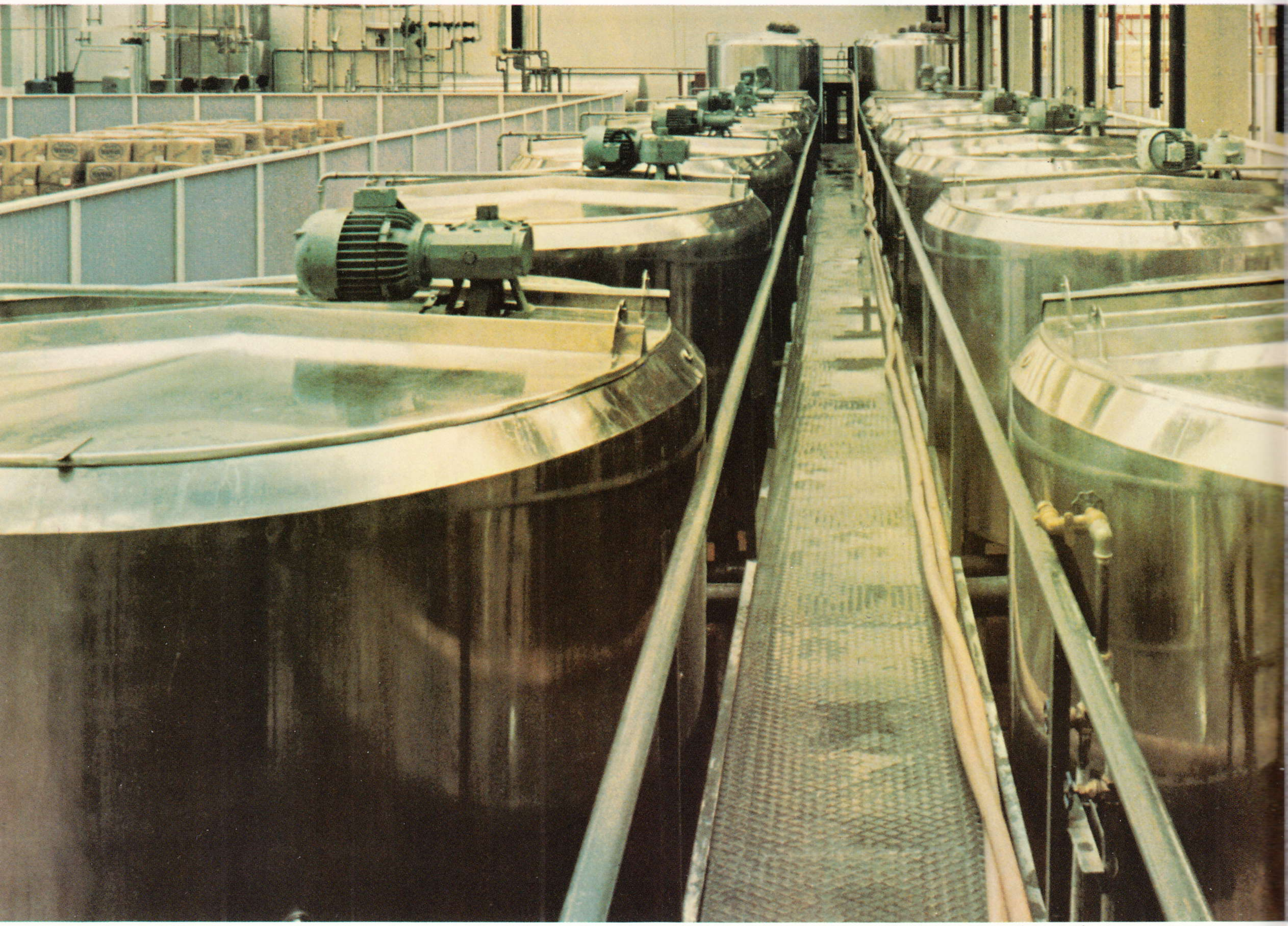
Additions or improvements were made to 12 plants during the year. La Choy Food Products completed a 41,000 square foot addition to its American-Chinese foods plant in Archbold, Ohio, the 11th expansion in six years. The new addition will enable La Choy to introduce a new line of frozen Chinese food items in 1970.

Beatrice Frozen Specialty Foods opened a 61,000 square foot plant in Archbold early in 1970 for the preparation of pizzas and other nationality foods. Fisher Nut added a new nut shelling and warehouse facility in North Carolina. Other major additions were completed at Lowrey's meat snack plant in Denver, Treat's snack food plant in Long Island, N.Y., Rosarita Mexican Foods at Mesa, Ariz., and Mario's Food Products in Detroit.

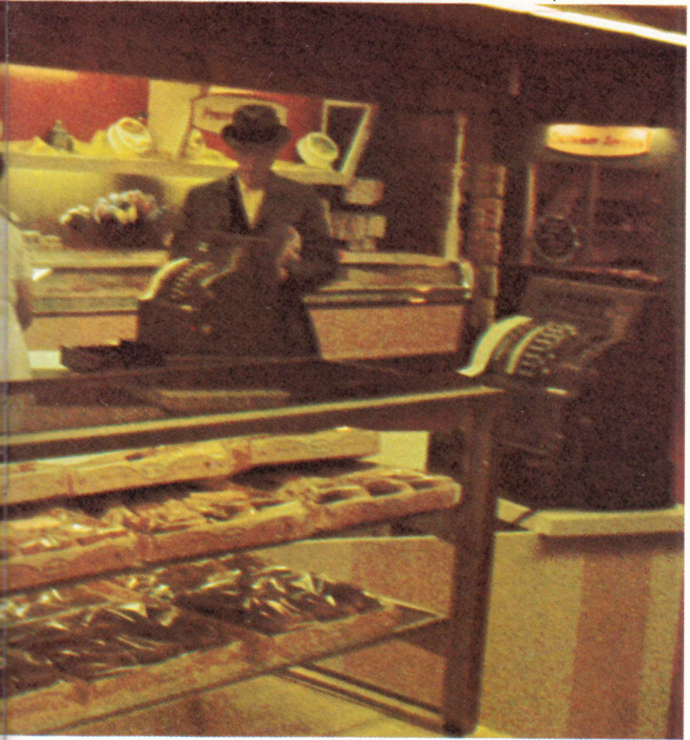
The Industrial Products Group expanded its line of items and now supplies literally thousands of

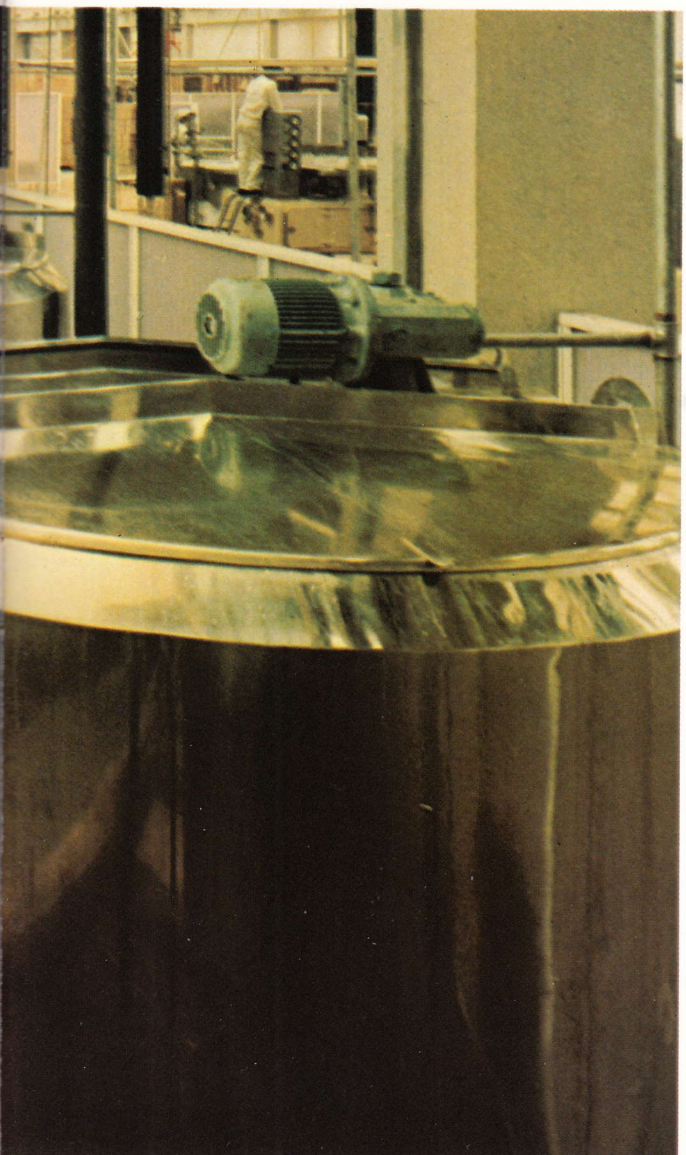
Crispy crackers by the millions are baked at Murray Biscuit's new cookie plant in Augusta, Ga.

Burny Bros. opened its first self-service bakery store



High-speed, stainless steel mixers prepare ice cream in Chicago's Evergreen Plaza shopping center in March, 1970.





for automated packaging line in Sanson's new plant in Verona, Italy.

flavors, spices, seasonings, nuts, and other ingredients to food manufacturers, including soup bases, sauces and toppings.

The division's network of distribution centers was expanded substantially. Centers now are operating at Sunnyvale and Los Angeles, Calif., Atlanta, Portland, Ore., Denver, Dallas, Memphis, Camden, N.J., Fostoria, Ohio, and Boston. These facilities enable the division to provide faster customer service, reduce costs to customers by supplying a variety of Beatrice grocery products consolidated into one shipment and improve ready availability of product in major market areas. This distribution centers system also enables consolidation of functions—sales, billing and inventory control.

The division also strengthened its regional market team to coordinate with its network of distribution centers and the more than 1,400 broker organizations representing the Grocery and Confectionery Divisions.

CONFECTIONERY DIVISION

The Confectionery Division continued its growth, primarily through new products and expanded distribution. Sales of the six division members—Chesterton (Mrs. Leland's), Clark candies, Holloway, Jolly Rancher, Richardson's Mints, Switzer licorice—were $57 million.

Outstanding new items introduced during the year included Clark's Zig Zag (nutty caramel popcorn), Koko Jacks and Coconut Bar (15c Size) and Jolly Rancher Fortune Kisses. Other products fitting into the high-energy candy bar concept were Holloway's Bobby Hull and Golden Jet bars.

Consumer acceptance was achieved quickly through the endorsement of Bobby Hull, voted professional ice hockey's "star of the past decade". Another area of growth was in the development of ingredients for the Clark Ice Cream bar.

The division joined in a coordinated corporate effort promoting and advertising the Zooper Dooper name in conjunction with six other members of Beatrice. Together, the Confectionery, Dairy and Grocery Divisions marketed almost 100 different products under the Zooper Dooper banner.

The Confectionery Division has set its goals on doubling its volume in the "Sweet Seventies" through new products, expanded distribution and new packaging concepts. Eleven new candy packages are scheduled for introduction in 1970. Working closely with the company's Central Research and Development Laboratories, the Confectionery Division is planning a new range of confections with appeal to those concerned with weight maintenance.

Quincy Market opened 3,000,000 cubic foot public cold storage warehouse in Boston in October, 1969.

WAREHOUSE DIVISION

Revenues of the rapidly expanding Public Warehouse Division were $56 million.

Quincy Market and Cold Storage opened a three million cubic foot public cold storage warehouse in Boston. The largest and most-modern cold storage facility in the Northeast, the new plant has a quick-freezing capacity of 150,000 pounds daily. It will be used primarily for freezing and storing meat, fish, poultry, butter, eggs and fruit.

Quincy Market also began construction of a 600,000 cubic foot, two-story addition to its Rowe Square warehouse, one of its four modern cold storage plants in Gloucester, Mass.

Tampa Cold Storage has started construction of a new 1,000,000 cubic foot freezer at its 50th street location in Tampa, Fla. Completion date is June, 1970.

The Warehouse Division now operates 22 refrigerated and three dry storage warehouses in major markets across the nation.

AGRI-PRODUCTS DIVISION

Sales of the Agri-Products Division were $58 million. Emphasis was on the development of feed supplements and in improving the processing of animal by-products, formerly scrapped, into high protein food ingredients for animal and pet food manufacturers and mink breeders.

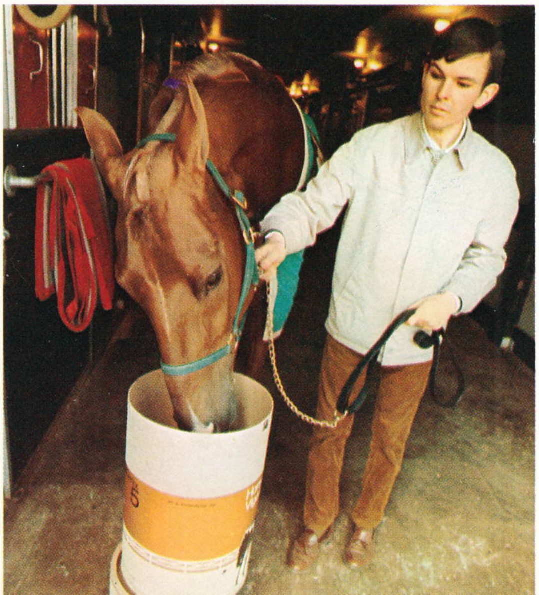
Capacities for processing hides, wool, animal by-products, and tallow were expanded by Colorado By-Products, Utah By-Products, San Angelo By-Products, Regal and Western By-Products, Lone Star Rendering and Medford Fur Foods.

New and substantially improved products also contributed to growth. Vigortone, which markets an extensive range of health products and feed supplements for cattle, hogs and dogs, introduced a new formula for horses to supply the fast growing horse population which has more than doubled in the last decade to an estimated 7,000,000.

In addition to all the essential vitamins, minerals and live cell feeding yeast, Horse Vigortone Pre-Mix contains "Vigorkote", an exclusive blend of coat and skin conditioning ingredients. Vigortone, which increased its sales 24 per cent from the previous year, now distributes in 35 states.

Ross-Wells expanded its test program for new and improved types of animal feeds at its Berlin, Md., facilities.

The division now comprises 25 plants and branches across the country.



Horse Vigortone Pre-Mix, a health product for horses, was introduced by Vigortone in 1969.

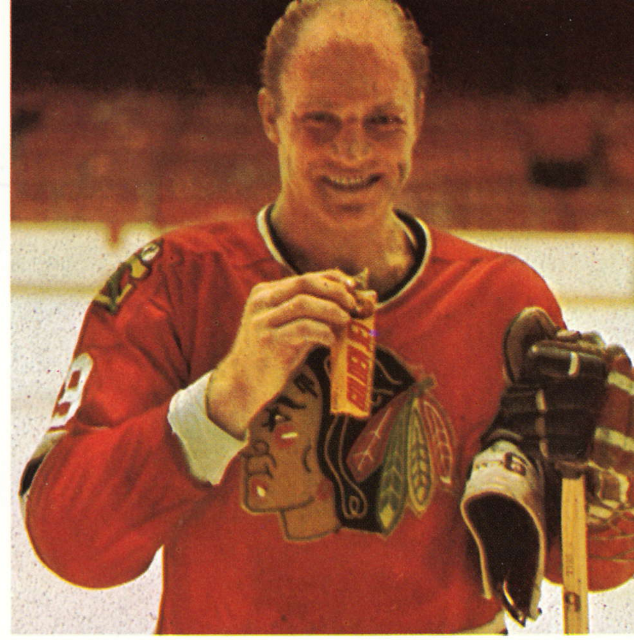
INTERNATIONAL DIVISION

One of the fastest-growing Beatrice divisions, International accelerated its expansion in the past fiscal year by constructing new plants, adding to present facilities and acquiring major interests in several leading companies around the world.

Sales totalled $199 million, including $29 million by joint ventures. At the end of the fiscal year, Beatrice was operating 91 plants and major branches (including joint ventures) with 7,000 employees in 26 nations outside the United States, including 64 dairy, confectionery and food plants and 10 plants in the Stahl Finish—Polyvinyl Chemical group.

Major additions to the International Division in the last fiscal year included Premier Ice Cream Co., Denmark; Sanson Gelati, S.p.A., Verona, Italy; Etablissements Baud, Paris, France; A.J. ten Doesschate, Holland, and Bireley's of Thailand, which operates eight fruit drink bottling plants in that country.

Baud is a leading distributor of wholesale groceries in the Greater Paris area and operates a new 400,000 square foot distribution center in suburban Paris. Sanson is a leading ice cream company in Northern Italy and completed a new plant in Verona in 1969. Premier is the major ice cream company in Denmark with plants in Esbjerg and the Copenhagen area which serve more than 5,000 retail outlets. A.J. ten Doesschate is a leading processor of spices in Holland and distributes an extensive line of non-prescription proprietary items to drug stores. It operates plants in Zwolle and Wapenveld and is completing a new plant in Wapenveld.



Chicago Black Hawk's "Golden Jet," Bobby Hull, recently named the National Hockey League's "Player of the Sixties," restores energy with Holloway's new "Golden Jet" candy bar.

The company is completing construction that will double the capacities of its Stahl Finish and Polyvinyl Chemical facilities in Waalwijk, Holland, opened a new Polyvinyl Chemical plant near Barcelona, Spain, and expanded the Acabados Newark-Stahl plant in Mexico City. Both the Red Tulip and Stark's candy plants in Australia were expanded during the year. Beatrice and Motta, which operates a snack foods plant near Milan, Italy, acquired a potato chip plant at Rovigo, Italy. A major addition is in progress at Producto's Chipy's snack food plant in Lima, Peru.

Beatrice now has 22 sales offices and branches in key international markets and franchise agreements in 15 countries.

Etablissements Baud completed 400,000 square foot office and distribution center for wholesale groceries near Paris, France.

The 1970 classic line of 17 Airstream travel trailers incorporates 56 major improvements designed to make travel adventure even more fun.

CHEMICAL & MANUFACTURED PRODUCTS DIVISION

This division was formed five years ago as part of the company's program to expand in selected non-food fields with greater growth potential in the Sixties and Seventies than that forecast for the national economy. Sales were $318 million last year.

Operations are organized into seven areas:

HOME AND GARDEN: Lamps, furniture, outdoor gas lamps and gas barbecues, lawn sprinklers, draperies, paint brushes, closet accessories, picture frames, housewares.

RECREATION: Travel trailers, skis, yachts and two new additions to the company last year, Jacobsen Mobile Homes, Safety Harbor, Fla., and Holiday Mobile Homes, Lynn and Hamilton, Ala.

GRAPHIC ARTS: Creative services, typesetting, preparation of engraving plates for engraving, offset and rotogravure printing.

EDUCATIONAL PRODUCTS: Rental and sale of graduation caps and gowns, gymwear, school swimming suits and blazers and uniforms to high schools and colleges, manufacture of children's recreation and education equipment and wholesale mail-order distribution of arts and crafts materials to schools.

INSTITUTIONAL: Food service equipment, coat racks, soft-serve ice cream dispensers, maintenance products, electric hand and hair dryers.

SPECIALTY CHEMICALS: Finishes for leather, wood, paper and metal, marine and industrial coatings and paints, metallic lubricants, pumice and related polishing materials.

CUSTOM FABRICATED PRODUCTS: Metal fasteners, castings and tubing for the automotive and agricultural equipment fields, molds, dies, metal treating.

The division introduced an extensive number of new products. Among these were high-style lamps by Stiffel and tables and chairs by Hekman. Airstream redesigned its entire line of luxury travel trailers and also produced four Mobile Quarantine Units for isolation of Apollo 11 and 12 astronauts upon their return from the moon. Holiday Homes introduced the Fairway, a deluxe mobile home featuring bay windows and a fireplace. Morgan Yacht moved into a new plant in St. Petersburg, Fla., and introduced several new sailing craft and a 56-foot offshore motor cruiser. Hart Skis produced the Javelin XXL, its first laminated metal and glass ski and Taylor Freezer added a new shake-master to its lines of Soft-Serve ice cream dispensers. Market Forge brought out two microwave ovens and Melnor marketed a deluxe travelling water sprinkler.

Classic styling is combined with rugged construction in the Morgan line of 13 fiberglass sailing yachts.

The Cutlas and the Spoiler, two medium-priced fiberglass and metal laminated skis have been added to Hart's 1970 line of lifetime guaranteed skis.

ASSETS NET OF INTANG 574 M .092 = 9.2% EARNED ON ASSETS AT

53 NET INCOME

5176

1240

17% AJAX

310/530

310

2200

2170

CONSOLIDATED BALANCE SHEET February 28, 1970

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ASSETS	1970	1969 (NOTE 1)	1969 RESTATED FOR POOLINGS (NOTE 1)
Current assets:			
Cash	$ 36,355,336	$ 30,490,835	$ 34,821,408
Marketable securities, at cost	3,609,522	1,476,987	4,297,168
Receivables, less allowance for losses $8,271,080 (1969—$6,886,288, restated $7,652,103)	141,453,139	112,671,140	122,273,589
Inventories, at lower of cost (first-in, first-out) or market	156,280,691	125,096,173	136,441,912
Prepaid expenses	7,696,738	5,501,352	6,303,238
Total current assets	345,395,426	275,236,487	304,137,315
Plant and equipment, at cost less depreciation:			
Land	13,416,968	11,384,040	12,636,352
Buildings	119,379,238	91,183,774	98,675,039
Machinery and equipment	233,467,047	181,892,421	202,973,757
	366,263,253	284,460,235	314,285,148
Less accumulated depreciation	150,486,872	126,501,172	139,029,815
	215,776,381	157,959,063	175,255,333
Investments and other assets	12,366,071	11,481,885	12,920,295
Intangible assets (note 4)	57,947,028	29,122,340	29,122,340
	$631,484,906	$473,799,775	$521,435,283

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57

574

See accompanying notes to consolidated financial statements.

Carry

LIABILITIES & STOCKHOLDERS' EQUITY	1970	1969 (NOTE 1)	1969 RESTATED FOR POOLINGS (NOTE 1)
Current liabilities:			
Accounts payable and accrued expenses	$115,392,926	$ 80,126,520	$ 89,607,057
Income taxes	12,144,605	10,174,638	13,244,346
Total current liabilities	127,537,531	90,301,158	102,851,403
Indebtedness incurred upon acquisition of other companies (note 5)	31,060,458	29,065,888	33,951,889
Debentures and notes payable (note 6)	63,000,000	10,000,000	10,000,000
Deferred credits and other non-current liabilities (notes 3 and 7)	33,594,800	32,059,562	32,997,674
Minority interests in consolidated subsidiaries	8,351,014	5,299,450	5,345,105
Stockholders' equity (notes 8, 9, and 10):			
Convertible preference stock, liquidation preference $52,449,860 (1969—$56,820,400, restated $57,604,300)	22,185,740	23,118,730	23,902,630
Common stock	91,689,318	80,732,036	89,524,667
Capital surplus	14,735,264	11,897,963	6,544,689
Earned surplus (retained earnings)	243,138,341	191,371,131	216,363,369
	371,748,663	307,119,860	336,335,355
Less common stock in treasury, at cost	3,807,560	46,143	46,143
Stockholders' equity	367,941,103	307,073,717	336,289,212
	$631,484,906	$473,799,775	$521,435,283

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED EARNINGS

Years ended February 28, 1970 and February 28, 1969

	1970	1969 (NOTE 1)	1969 RESTATED FOR POOLINGS (NOTE 1)
Income:			
Net sales	$1,576,064,808	$1,350,011,447	$1,433,437,411
Other income (net)	6,360,079	4,098,051	4,467,916
	1,582,424,887	1,354,109,498	1,437,905,327
Costs and expenses:			
Cost of sales	1,109,413,243	948,979,717	1,001,069,914
Selling, delivery, administrative and general expenses	337,209,824	294,359,830	312,958,559
Provision for depreciation (straight-line method)	23,171,162	18,812,977	20,916,242
Interest expense	8,705,619	3,726,788	4,242,864
Minority interests in earnings of subsidiaries	1,593,602	764,758	818,196
	1,480,093,450	1,266,644,070	1,340,005,775
Earnings before income taxes	102,331,437	87,465,428	97,899,552
Provision for income taxes (note 3)	49,400,000	42,282,955	47,791,932
Net earnings	$ 52,931,437	$ 45,182,473	$ 50,107,620
Net earnings per share of common stock (note 13)	$2.03	$1.94	$1.96

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED EARNED SURPLUS

Years ended February 28, 1970 and February 28, 1969

	1970	1969 (NOTE 1)	1969 RESTATED FOR POOLINGS (NOTE 1)
Balance at beginning of year (note 1)	$191,371,131	$146,704,224	$187,647,916
Add earned surplus of pooled companies	24,992,238	20,150,402	—
	216,363,369	166,854,626	187,647,916
Net earnings for the year	52,931,437	45,182,473	50,107,620
	269,294,806	212,037,099	237,755,536
Dividends paid to holders of:			
Preference stock	2,326,505	963,923	963,923
Common stock, $1.00 a share (1969—$0.88⅞ a share)	23,193,840	18,456,845	18,456,845
Capital stocks of pooled companies prior to acquisition	636,120	1,245,200	1,971,399
	26,156,465	20,665,968	21,392,167
Balance at end of year	$243,138,341	$191,371,131	$216,363,369

See accompanying notes to consolidated financial statements.

STATEMENT OF CONSOLIDATED SOURCE & DISPOSITION OF FUNDS

Years ended February 28, 1970 and February 28, 1969

	1970	1969 (NOTE 1)	1969 RESTATED FOR POOLINGS (NOTE 1)
Working capital at beginning of year	$184,935,329	$136,864,261	$171,834,015
Add working capital of pooled companies	16,350,583	22,220,884	—
	201,285,912	159,085,145	171,834,015
Source of Funds:			
Net earnings	52,931,437	45,182,473	50,107,620
Depreciation and other charges not requiring use of funds (net)	24,304,561	18,645,112	21,443,543
Sale of common stock under option plans	2,639,184	2,703,373	2,703,373
Proceeds from sales and leasebacks, condemnations and divestitures of properties	—	19,591,037	19,591,037
Proceeds from sales of debentures	49,912,500	—	—
Fair value of common stock issued for assets of purchased companies	5,984,126	—	—
Increase in other indebtedness and noncurrent liabilities	2,593,231	15,377,343	15,071,744
	138,365,039	101,499,338	108,917,317
Disposition of funds:			
Cash dividends paid	26,156,465	20,665,968	21,392,167
Plant and equipment acquired through purchase of other companies	14,027,781	5,192,259	5,192,259
Plant and equipment additions	49,664,429	39,226,158	42,589,827
Increase in intangible and other assets (net)	28,182,964	10,518,626	10,245,024
Increase in treasury stock	3,761,417	46,143	46,143
	121,793,056	75,649,154	79,465,420
Working capital at end of year	$217,857,895	$184,935,329	$201,285,912

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

February 28, 1970

1) PRINCIPLES OF CONSOLIDATION AND POOLINGS OF INTERESTS:
The consolidated financial statements include the accounts of all majority-owned subsidiaries. The investments in joint ventures are carried at cost plus equity in undistributed earnings. In prior years, the consolidated financial statements included the accounts of all domestic and Canadian subsidiaries and wholly-owned subsidiaries operating in Europe; and the investments in unconsolidated subsidiaries were carried at cost. For comparative purposes, the financial statements for the year ended February 28, 1969, have been revised to conform with the current accounting policies. The effect of the accounting changes was to increase net earnings for the year ended February 28, 1969, by $1,514,899 and to increase earned surplus at February 28, 1969 by $4,310,674.

During the year ended February 28, 1970, the Company acquired a number of companies in poolings of interests. Accordingly, the statement of consolidated earnings for the year ended February 28, 1970, includes the results of operations of such acquired companies for the full year and the financial statements for the year ended February 28, 1969, (as revised) are also shown herein on a restated basis to include such acquired companies.

2) INTERNATIONAL OPERATIONS:
The following is a summary of the assets, liabilities and Company's equity in net earnings of all operations outside the United States (including those formerly consolidated—see note 1) for the year ended February 28, 1970:

Current assets	$ 54,139,122
Plant and equipment (net)	40,652,545
Investments in joint ventures	4,061,048
Intangibles and other assets	11,121,900
	109,974,615
Less:	
Current liabilities	32,043,555
Non-current liabilities	14,460,516
Minority interests	8,351,014
	54,855,085
Company's equity in net assets	$ 55,119,530
Company's equity in net earnings	$ 8,956,959

3) INCOME TAXES:
The provision for income tax expense for the year ended February 28, 1970, includes deferred tax expense of $1,322,828 resulting primarily from excess of tax depreciation over financial depreciation. The balance of the provision represents current taxes.

Deferred taxes (net) and deferred investment credits amounting to $6,126,615 at February 28, 1970, are included in deferred credits and other non-current liabilities in the consolidated balance sheet. Investment credits are being reflected in earnings over the average lives of the acquired assets subject to a maximum amortization period of eight years.

4) INTANGIBLE ASSETS:
Intangible assets represent primarily the excess of total purchase price over the net tangible assets of companies acquired in purchase transactions.

5) INDEBTEDNESS:
Indebtedness incurred upon acquisition of other companies is represented by miscellaneous secured and unsecured notes, etc. which mature in varying amounts through 1989.

6) DEBENTURES AND NOTES PAYABLE:
The debentures and notes payable at February 28, 1970, comprise the following:

7⅞% Sinking Fund Debentures due 1994	$35,000,000
9% Guaranteed Debentures due 1985	15,000,000
Notes payable under bank credit agreements	13,000,000
	$63,000,000

The 7⅞% debentures require annual prepayments of $1,750,000 commencing September 15, 1976. The 9% debentures require annual prepayments of $1,000,000 commencing March 15, 1973. The notes payable under bank credit agreements mature in fiscal 1975.

7) SALE-AND-LEASEBACK TRANSACTIONS:
The excess of the sales proceeds over the net book value of certain properties sold and leased back has been deferred and is being amortized by credits to rental expense over the terms of the leases. The unamortized balance of such excess, amounting to $18,162,503 at February 28, 1970, is included in deferred credits and other non-current liabilities in the consolidated balance sheet.

8) CAPITAL STOCK:
The following is a summary of the shares of capital stock authorized, issued and outstanding at February 28, 1970, and February 28, 1969:

	1970	1969 (Restated)
Preference stock (without par value). Authorized 2,500,000 shares. Issued and outstanding:		
$2.70 convertible, $60 stated value, 108,986 shares (1969—131,235 shares)	$ 6,539,160	$ 7,874,100
$4.00 convertible, second series, $10 stated value ($100 liquidation preference), 336,268 shares (1969—374,463 shares)	3,362,680	3,744,630
$4.50 convertible, first series, $100 stated value, 65,000 shares	6,500,000	6,500,000
$4.50 convertible, second series, $100 stated value, 57,839 shares	5,783,900	5,783,900
	$22,185,740	$23,902,630
Common stock (without par value). Authorized 35,000,000 shares. Issued 25,120,361 shares with $3.65 stated value, including 98,511 shares in treasury (1969—24,527,306 shares, including 1,468 shares in treasury)	$91,689,318	$89,524,667

The decrease in outstanding shares of preference stock results from conversions into common stock. The outstanding shares of preference stock are convertible into shares of common stock at specified prices per share of common stock. There are 1,474,895 shares of common stock reserved for this purpose at February 28, 1970.

Certain agreements under which the Company has acquired other companies provide for issuance of additional shares of common stock contingent upon the attainment of specified future earnings levels by the companies acquired. At February 28, 1970, there were 331,912 shares of common stock reserved for this purpose.

During the year the Company purchased 133,904 shares of its common stock for the treasury and issued 212,220 shares of common stock (of which 36,861 were treasury shares) in connection with the purchase of other companies.

9) CAPITAL SURPLUS:
The following is an analysis of capital surplus for the year ended February 28, 1970:

Balance at February 28, 1969	$11,897,963
Less charges resulting from pooling transactions	5,353,274
Balance at February 28, 1969 (restated)	6,544,689
Excess of stated value of converted shares of preference stock over the stated value of 148,183 shares of common stock issued upon conversion	1,176,022
Excess of proceeds over stated value of shares of common stock issued under stock options	2,258,383
Excess of fair value over stated value of common stock issued in connection with the purchase of other companies	5,209,376
Stated value of 165,184 shares of common stock issued as additional consideration under pooling-of-interests transactions consummated in prior years	(602,922)
Sundry items	149,716
Balance at February 28, 1970	$14,735,264

10) STOCK OPTIONS:
The 1959 and 1965 key employee stock option plans authorized the granting of options to purchase shares of the Company's common stock at prices not less than 100% of market value at the date of grant. The changes in the outstanding stock options during the year are summarized as follows:

	Number of Shares	Total Option Price
Shares under option at February 28, 1969	678,652	$20,094,351
Options granted	131,130	4,419,979
Options exercised	(104,329)	(2,639,184)
Options cancelled	(17,103)	(539,166)
Shares under option at February 28, 1970	688,350	$21,335,980

Options to purchase 398,432 shares are currently exercisable. There are 197,247 shares of common stock reserved for the granting of additional options and on March 2, 1970, additional options were granted to purchase 88,610 shares.

11) LEASES:
At February 28, 1970, the Company holds certain equipment under leases which provide for total future rental payments of approximately $6,000,000. Of this amount, $2,200,000 becomes due during the year ending February 28, 1971, and the balance in decreasing amounts thereafter through 1979. Other noncancellable leases provide for minimum annual rentals of approximately $11,400,000. Of this amount, $2,800,000 relates to leases expiring within three years, $3,400,000 to leases expiring after three but within ten years, $1,900,000 to leases expiring after ten but within twenty years and the balance of $3,300,000 to leases expiring after twenty years.

12) PENSION PLANS:
The Company has pension plans which cover salaried employees and certain hourly-paid employees. The amount charged to earnings under such plans totaled $4,600,000 for the year ended February 28, 1970. Such amount includes the normal cost of the plans and amortization of past service cost (as to the principal plan on a thirty-year basis). At February 28, 1970, there was an excess of vested benefits (actuarially computed) over the total of the assets in the pension funds and the balance sheet accruals of approximately $1,300,000. The Company also contributed approximately $4,100,000 under plans jointly administered by industry and union representatives. In general, the Company's policy is to fund pension costs when charged to earnings.

13) EARNINGS PER SHARE:
Net earnings per share of common stock are based on the average number of common shares outstanding including shares under option (see note 10). The net earnings per share of common stock assuming full conversion of preference stock amount to $1.99 for fiscal 1970 and $1.89 (restated $1.91) for fiscal 1969.

14) LEGAL PROCEEDINGS:
The Federal Trade Commission has indicated its intention to issue a complaint that the Company's acquisition of John Sexton & Co., in December 1968, constitutes a violation of the anti-trust laws. The Company disagrees and will contest the matter. Sales and net earnings of Sexton represented approximately 6.5% and 3.7%, respectively, of the consolidated totals for the year ended February 28, 1970.

ACCOUNTANT'S REPORT

PEAT, MARWICK, MITCHELL & CO.

The Stockholders
Beatrice Foods Co.:

We have examined the consolidated balance sheet of Beatrice Foods Co. and subsidiaries as of February 28, 1970, and the related statements of earnings and earned surplus and the statement of consolidated source and disposition of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated earnings and earned surplus present fairly the financial position of Beatrice Foods Co. and subsidiaries at February 28, 1970, and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year after giving retroactive effect to the changes in accounting policies as explained in note 1 of notes to the consolidated financial statements. Also, in our opinion, the accompanying statement of consolidated source and disposition of funds for the year ended February 28, 1970, presents fairly the information shown therein.

April 10, 1970

Peat, Marwick, Mitchell & Co.

CERTIFIED PUBLIC ACCOUNTANTS

111 WEST MONROE STREET CHICAGO, ILLINOIS 60603

James J. Cullen, R. Wilbur Daeschner, William G. Mitchell

E. A. Walker, Brown W. Cannon, George W. Kall

Carl T. E. Sutherland, John P. Fox, Jr., Lee Schlytter

John W. Hoermann, Alex MacTaggart, Juan E. Metzger, Gordon E. Swaney

OFFICERS & DIRECTORS

OFFICERS

WILLIAM G. KARNES
President, Chief Executive Officer

DON L. GRANTHAM
Executive Vice President, Dairy, Warehouse, Agri-Products

PAUL T. KESSLER, JR.
Executive Vice President, Finance, Administration, International

HARRY NIEMIEC
Executive Vice President, Grocery, Confectionery

BROWN W. CANNON
Senior Vice President, Western Dairy Area, Gen'l Manager, Agri-Products

WALLACE N. RASMUSSEN
Senior Vice President, Eastern Dairy Area

WILLIAM W. GRANGER, JR.
Vice President, Northeast Dairy Region

JOHN F. HAZELTON, JR.
Vice President, East Central Dairy Region

GEORGE W. KALL
Vice President, West Central Dairy Region

E. A. WALKER
Vice President, Far Western Dairy Region

ALEX MACTAGGART
Vice President, General Manager, Warehouse

JUAN E. METZGER
Vice President, International

LEE SCHLYTTER
Vice President, Corporate Development

GORDON E. SWANEY
Vice President, Asst. Gen'l Manager, Grocery

JOHN W. HOERMANN
Vice President, General Manager, Confectionery

ROBERT W. FRANCE
Treasurer

WILLIAM G. MITCHELL
Secretary

JOHN P. FOX, JR.
General Counsel

PETER COWLES
Controller

JAMES J. CULLEN
Assistant Secretary
Assistant Treasurer

CARL T. E. SUTHERLAND
Assistant Secretary
Assistant Treasurer

R. WILBUR DAESCHNER
Assistant Secretary

THOMAS J. BOYCE, JR.
Assistant Treasurer

DIRECTORS

STEPHEN J. BARTUSH
Detroit, Michigan

BROWN W. CANNON
Denver, Colorado

ALVIE J. CLAXTON
Pinehurst, North Carolina

G. A. COSTANZO
New Canaan, Connecticut

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Grosse Pointe Shores, Mich.

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Lake Forest, Illinois

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Wilmette, Illinois

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Flossmoor, Illinois

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Lake Forest, Illinois

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Birmingham, Alabama

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Long Grove, Illinois

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Galesburg, Illinois

HARRY NIEMIEC
Chicago, Illinois

CHARLES H. PATTEN
Phoenix, Arizona

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Winnetka, Illinois

HAROLD F. STOTZER
Archbold, Ohio

FLAVEL A. WRIGHT
Lincoln, Nebraska

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WILLIAM G. KARNES,
Chairman
BROWN W. CANNON
GEORGE A. GARDELLA
DON L. GRANTHAM
JOHN F. HAZELTON, SR.
PAUL T. KESSLER, JR.
BERNARD A. MONAGHAN

Pension Committee

HAROLD F. NICHOLS,
Chairman
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FLAVEL A. WRIGHT

Executive Compensation Committee

HAROLD F. NICHOLS,
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EDWARD M. MULDOON
CHARLES H. PATTEN

Stock Option Committee

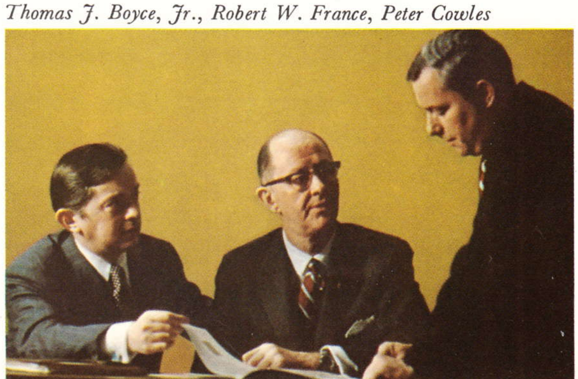
HAROLD F. NICHOLS,
Chairman
G. A. COSTANZO
BERNARD A. MONAGHAN
CHARLES H. PATTEN
FLAVEL A. WRIGHT

Audit Committee

BERNARD A. MONAGHAN
Chairman
JOHN F. HAZELTON, SR.
CHARLES H. PATTEN
HAROLD F. STOTZER
FLAVEL A. WRIGHT

Wallace Rasmussen, John F. Hazelton, Jr., William W. Granger, Jr.

Thomas J. Boyce, Jr., Robert W. France, Peter Cowles



TEN YEARS OF PROGRESS

	1970	1969	1968	1967
EARNINGS				
Net sales	$1,576,064,808	$1,350,011,447	$1,093,139,282	$933,421,907
Other income	6,360,079	4,098,051	2,920,413	3,346,209
Total	1,582,424,887	1,354,109,498	1,096,059,695	936,768,116
Cost of sales, operating expenses, interest, etc.	1,456,922,288	1,247,831,093	1,006,818,978	864,660,901
Depreciation	23,171,162	18,812,977	15,571,856	14,376,233
Income taxes	49,400,000	42,282,955	34,388,330	26,828,316
Total	1,529,493,450	1,308,927,025	1,056,779,164	905,865,450
Net earnings	$ 52,931,437	$ 45,182,473	$ 39,280,531	$ 30,902,666
Percentage of net sales	3.36%	3.35%	3.59%	3.31%
Net earnings per common share	$2.03	$1.94	$1.89	$1.65
Dividends per common share	$1.00	$ .88⅞	$ .80⅝	$ .75
FINANCIAL CONDITION				
Current Assets:				
Cash	$ 36,355,336	$ 30,490,835	$ 33,227,365	$ 32,098,782
Marketable securities	3,609,522	1,476,987	1,450,563	12,175,532
Receivables	141,453,139	112,671,140	86,499,435	68,248,024
Inventories	156,280,691	125,096,173	88,512,732	62,903,218
Prepaid expenses	7,696,738	5,501,352	3,916,550	3,329,367
Total current assets	345,395,426	275,236,487	213,606,645	178,754,923
Deduct current liabilities	127,537,531	90,301,158	76,742,384	50,588,158
Working capital	217,857,895	184,935,329	136,864,261	128,166,765
Plant and equipment	215,776,381	157,959,063	131,422,454	108,069,088
Other assets	70,313,099	40,604,225	29,217,728	19,118,533
	503,947,375	383,498,617	297,504,443	255,354,386
Deduct:				
Indebtedness	94,060,458	39,065,888	21,042,875	16,951,872
Other liabilities and deferred credits	41,945,814	37,359,012	29,994,692	19,965,427
Stockholders' equity	$ 367,941,103	$ 307,073,717	$ 246,466,876	$218,437,087
Ratio of current assets to current liabilities	2.7:1	3.0:1	2.8:1	3.5:1
Book value per common share	$12.61	$11.32	$10.98	$10.39
EARNINGS DATA (1966-1969 Restated For Poolings)				
Net sales	$1,576,064,808	$1,433,437,411	$1,308,810,358	$1,201,204,623
Net earnings	52,931,437	50,107,620	48,070,070	43,266,219
Net earnings per common share	$2.03	$1.96	$1.91	$1.69
CONDENSED FINANCIAL CONDITION (1966-1969 Restated For Poolings)				
Working capital	$ 217,857,895	$ 201,285,912	$ 171,834,015	$165,596,428
Plant and equipment	215,776,381	175,255,333	164,294,102	143,338,104
Other assets	70,313,099	42,042,635	31,797,611	22,263,568
Deduct:	503,947,375	418,583,880	367,925,728	331,198,100
Indebtedness	94,060,458	43,951,889	31,846,937	26,481,195
Other liabilities and deferred credits	41,945,814	38,342,779	31,041,184	21,512,908
Stockholders' equity	$ 367,941,103	$ 336,289,212	$ 305,037,607	$283,203,997

1966	1965	1964	1963	1962	1961
$796,443,487	$681,385,124	$606,157,642	$569,487,854	$539,192,494	$477,706,773
2,686,111	3,166,889	2,856,931	2,695,017	2,238,100	2,362,841
799,129,598	684,552,013	609,014,573	572,182,871	541,430,594	480,069,614
739,758,347	638,520,642	569,002,962	537,331,163	510,177,528	451,876,452
12,232,936	9,986,080	9,800,008	8,707,937	8,081,900	7,108,411
22,500,000	18,000,000	15,500,000	13,120,000	11,347,000	10,333,000
774,491,283	666,506,722	594,302,970	559,159,100	529,606,428	469,317,863
$ 24,638,315	$ 18,045,291	$ 14,711,603	$ 13,023,771	$ 11,824,166	$ 10,751,751
3.09%	2.65%	2.43%	2.29%	2.19%	2.25%
$1.47	$1.24	$1.05	$ .95	$ .91	$ .88
$ .67	$ .58	$ .52	$ .45	$ .45	$ .45
$ 23,070,063	$ 21,179,661	$ 23,916,358	$ 19,856,338	$ 17,245,523	$ 16,177,291
13,427,014	10,508,824	8,035,589	6,890,545	6,855,578	5,850,949
55,639,305	45,176,037	41,055,372	36,754,074	34,703,535	29,148,338
50,083,452	40,772,070	30,236,052	28,104,422	26,845,581	22,623,907
3,160,298	1,625,938	1,370,412	1,313,550	1,215,293	1,060,514
145,380,132	119,262,530	104,613,783	92,918,929	86,865,510	74,860,999
40,741,107	33,163,982	27,337,692	23,636,432	23,464,663	20,142,054
104,639,025	86,098,548	77,276,091	69,282,497	63,400,847	54,718,945
84,421,803	68,118,236	64,064,365	59,097,461	55,846,398	52,364,539
10,486,237	7,271,440	5,267,246	4,723,744	4,633,596	5,467,487
199,547,065	161,488,224	146,607,702	133,103,702	123,880,841	112,550,971
7,214,042	—	—	—	—	750,000
7,846,099	5,616,372	4,676,210	2,706,615	1,500,000	1,200,000
$184,486,924	$155,871,852	$141,931,492	$130,397,087	$122,380,841	$110,600,971
3.6:1	3.6:1	3.8:1	3.9:1	3.7:1	3.7:1
$10.32	$9.95	$9.39	$9.21	$9.11	$8.71
$1,083,345,363					
39,099,714					
$1.51					
$145,499,103					
127,933,617					
14,627,455					
288,060,175					
18,752,752					
8,720,403					
$260,587,020					

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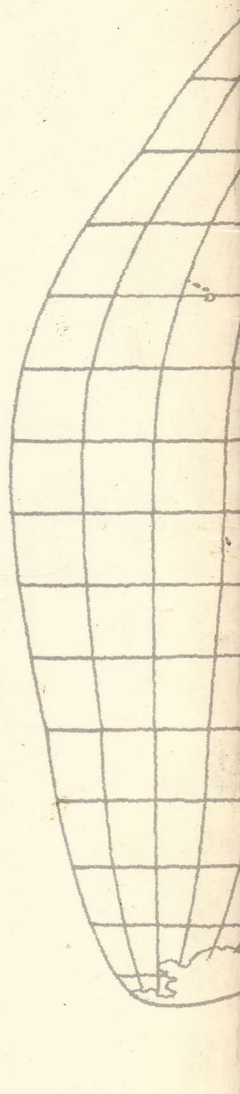

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