

LIBBY, McNEILL & LIBBY (F.P.Slivon)
4134 S. PACKERS AVE.
Chicago 9, Ill. (YArds 7-0240)

IMPORTANT

Please do not release before

Friday, April 9, 1954

Libby, McNeill & Libby sales last year were the greatest in the food canning firm's 86 year history, Charles S. Bridges, president of the company, announced in the annual report to stockholders. Sales amounted to \$215,409,664 compared with the previous year's sales of \$212,119,205.

Despite a record year in sales, earnings did not come up to expectations. Net income for the year amounted to \$4,164,967 or \$1.15 a share, compared with \$6,123,819 or \$1.69 a share in 1952.

Mr. Bridges pointed out that the lower earnings were due to a combination of causes:

"A substantial loss in salmon operations due to reduced salmon runs was an important cause of last year's lower profit. Corrective measures have been taken by the Salmon Division to improve results in 1954."

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"Selling expense, warehouse costs, wages, interest charges - all were higher than the previous year."

"Last year the LIFO method of valuing inventories benefited earnings; this year LIFO reduced earnings because of increased pack costs on several items."

Inventories at the year's end were higher than a year ago. This was due to larger requirements for the company's growing frozen food business, bountiful harvests and continued lowering of distributors' inventories of canned foods.

Mr. Bridges also pointed to the company's sales growth in the past ten years from \$110,737,232 to \$215,409,664 and stated: "As we continue to grow in canned foods and become more important in frozen foods, it is apparent that more permanent capital is required in the business. To provide this capital we have sold, subject to stockholders' approval, 100,000 shares of \$100 par, 5 $\frac{1}{4}$ % preferred stock and \$15 million of 25-year 3 $\frac{1}{2}$ % debentures."

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In respect to 1954, Mr. Bridges said:

"We expect our packs for 1954 to be about the same as last year. Packs of pineapple and of tomato juice will be somewhat less, and there may be minor reductions in some other products. On the other hand, our packs of some frozen foods will be increased."

and:

"Consumer buying power continues high, and we are equipped to do a good job in 1954. With further emphasis on economy and efficiency in all of our operations, we look forward with confidence to a good year."

(MORE)

LIBBY, McNEILL & LIBBY AND DOMESTIC AND CANADIAN SUBSIDIARIES
STATEMENT OF CONSOLIDATED INCOME AND EARNED SURPLUS
FOR THE FISCAL YEARS ENDED FEBRUARY 27, 1954 AND FEBRUARY 28, 1953

	<u>Feb. 27, 1954</u>	<u>Feb. 28, 1953</u>
Net Sales, including service revenues	\$215,409,664	\$212,119,205
Dividends received from foreign subsidiaries	332,948	303,578
Other income	<u>332,653</u>	<u>448,108</u>
Total	\$216,075,265	\$212,870,891
Less:		
Cost of sales and services	\$175,548,752	\$170,652,009
Selling and administrative expenses	29,995,758	27,653,567
Contributions to Pension Trusts	1,005,970	1,212,015
Interest on long term debt	653,174	672,561
Interest on bank loans	1,425,700	1,142,484
Federal income taxes	2,661,945	4,460,433
Other income taxes	<u>618,999</u>	<u>954,003</u>
Total, including \$2,752,492 depreciation this year and \$2,510,044 last year	\$211,910,298	\$206,747,072
Net Income for the year	\$ 4,164,967	\$ 6,123,819
Earned surplus, beginning of the year	28,071,691	23,761,865
Dividends paid on Common Stock	(3,446,586)	(1,813,993)
Dividends declared, payable March 1, 1954	<u>(544,197)</u>	<u>-</u>
Earned surplus, end of year	<u>\$28,245,875</u>	<u>\$28,071,691</u>

LIBBY, McNEILL & LIBBY AND DOMESTIC AND CANADIAN SUBSIDIARIES

COMPARISON OF CONSOLIDATED BALANCE SHEETS AT CLOSE OF YEAR

	<u>Feb. 27, 1954</u>	<u>Feb. 28, 1953</u>
<u>ASSETS</u>		
Cash and U.S. Government Securities	\$ 3,504,905	\$ 4,505,209
Accounts Receivable	17,662,489	18,254,141
Inventories - Products	65,683,636	57,735,961
Ingredients and Supplies	6,216,326	5,781,851
Growing Crops & Deferred Pack Costs	<u>7,184,484</u>	<u>7,595,198</u>
Total Current Assets	\$100,251,840	\$ 93,872,360
Investments - Foreign subsidiaries	1,134,555	1,133,563
Other investments, etc.	696,368	610,951
Fixed Assets	58,041,815	56,449,345
Less: Reserve for Depreciation	(24,155,778)	(25,438,765)
Deferred Charges	<u>217,496</u>	<u>236,962</u>
	<u>\$136,186,296</u>	<u>\$126,864,416</u>
<u>LIABILITIES</u>		
Notes Payable	\$ 38,906,042	\$ 27,451,530
Accounts Payable	4,584,719	5,024,935
Dividend Payable	544,197	-
Federal Income Taxes	4,218,500	6,036,100
Long Term debt due within year	850,000	850,000
Other Current Liabilities	<u>4,345,727</u>	<u>4,088,924</u>
Total Current Liabilities	\$ 53,449,185	\$ 43,451,489
Long Term Debt: 2-7/8% Debentures	12,400,000	12,950,000
3% Promissory Notes	8,500,000	8,800,000
Voluntary Pension Reserve	2,113,375	2,113,375
Capital Stock	25,395,895	25,395,895
Surplus - Paid-in	6,081,966	6,081,966
Earned	<u>28,245,875</u>	<u>28,071,691</u>
	<u>\$136,186,296</u>	<u>\$126,864,416</u>