copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023



TIME INCORPORATED ANNUAL REPORT 1975



copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

CONTENTS

1 Letter to Shareholders
3 The 1976 Prospect
4 Review of 1975 Operations
19 Financial Review
20 Five-Year Financial Summary
21 Lines of Business Table
23 Financial Statements
33 Accountants' Report
34 Board of Directors
36 Officers and Operating Executives

TIME INCORPORATED 1975 ANNUAL REPORT

Financial Highlights

(in thousands of dollars except for per share data)

	1975	1974
Revenues	**$910,659**	$825,569
Net income	**45,051**	50,224
Per share		
Net income	**$4.52**	$5.01
Dividends	**2.00**	2.00
Working capital	**$201,707**	$217,190
Purchase of property and equipment	**60,738**	51,730
Depreciation, amortization, depletion	**25,543**	22,480
Unearned portion of paid subscriptions	**83,830**	75,422
Long-term debt	**118,176**	124,926
Shareholders' equity	**397,573**	370,908
Shareholders' equity—per share	**$39.77**	$37.24
Average shares outstanding (000)	**9,975**	10,031
Number of shareholders	**9,214**	10,130

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

LETTER TO SHAREHOLDERS

March 1, 1976

All things considered, 1975 was a good year for Time Inc. Revenues reached a record high of $911 million. Net income was $45 million, or $4.52 per share, compared with a record $50 million, or $5.01 per share, in 1974.

Last year, in our report to shareholders, we emphasized the dual-industry character of Time Inc. and noted that forest products in 1974 accounted for the largest share of Time Inc.'s profits before taxes. In 1975 the balance shifted again, and publishing accounted for 57 per cent of income before taxes.

The most notable publishing achievement of the year, of course, was the remarkable success of People, Time Inc.'s newest magazine. People became profitable after only 18 months of publication, an unusually short period for a major publication. Launched with an advertising rate base of one million copies in 1974, People's rate base was raised to 1.6 million copies in January 1976. Its advertising revenues rose to $8.3 million last year.

Although the advertising revenues of Time, Sports Illustrated and Fortune declined in 1975 (those of Money rose), the higher circulation revenues of the magazines just about compensated for the decline in advertising. Total magazine publishing revenues worldwide reached a new high of $308 million, and Time Inc. once again led all magazine publishing companies in advertising revenues.

Time-Life Books registered a 23 per cent revenue increase last year, and earned all-time-high profits both domestically and abroad. Little, Brown and Company, our Boston-based publishing subsidiary, enjoyed record earnings for the third year in a row.

Temple-Eastex Incorporated, our forest-products subsidiary, reflected the general softness of the paper markets and the depressed state of the building industry in 1975. Pulp and paperboard operations actually recorded their second most profitable year, but building-materials results were disappointing. Aggregate pretax profits of the forest-products operations declined 32 per cent. A modest pickup in building activity in the final quarter of 1975 gives hope that this important sector of the economy may finally be on the mend. Paperboard order backlogs also began to climb after midyear and by year end most paper prices were being marked up.



Developmental activities showed encouraging improvement in 1975. Home Box Office, Inc., our pay-TV programing network, inaugurated satellite service in September. During the year, subscribers to HBO's programing service increased impressively from 58,000 to 287,000. Manhattan Cable Tele-

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

vision, Inc., serving 80,000 CATV subscribers in New York City, reached break even by the end of the year, aided by a rate increase to $10 per month.

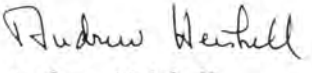
In line with the Company's policy of continually reviewing long-term objectives, decisions were made in 1975 to sell certain subsidiaries. Time Tele-Marketing, Inc., our telephone subscriptions-sales organization, was sold during the year, as was our majority interest in Computer Television Inc., a developmental activity in the hotel pay-TV field. The offset blanket, printing plate and chemical operations of Printing Developments, Inc., were sold to Wheelabrator-Frye Inc. in exchange for convertible preferred stock and cash.

During the year, three new group vice presidents were appointed: Joan D. Manley, J. Richard Munro and Arthur Temple. Time Inc. now has five group vice presidents, each responsible for a major segment of our operations. On the pages that follow, the area of responsibility of each group vice president is delineated and the 1975 activities of each group are reviewed in some detail.

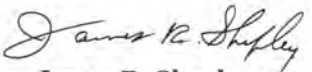
Among other management appointments in 1975: Edward Patrick Lenahan, Publisher of Fortune, was named Treasurer of the Company, and Clifford J. Grum, who was Treasurer, was elected a Vice President and appointed Publisher of Fortune. Gerald M. Levin, President of Home Box Office, Inc.; N. J. Nicholas Jr., President of Manhattan Cable Television, Inc.; Bruce L. Paisner, President of Time-Life Films, Inc.; and John A. Watters, President of Selling Areas-Marketing, Inc. (SAMI), were also elected Vice Presidents of the Company.

It seems clear that the economic recession is behind us and that a measured business recovery is underway. The threat of renewed inflation remains, however, and certain other continuing pressures are of particular concern. The probable passage of proposed Canadian tax legislation will prevent our publishing Time Canada in its present form in future years. The U.S. Postal Service is raising postal rates (and consequently pushing subscription prices upward) to a degree that will inevitably impede the flow of printed information in the U.S.

Still we look to the coming year with considerable optimism. We have largely completed a three-year $65-million capital-expansion program at the Eastex paperboard mill. As the recovery progresses, moreover, our magazines should also increase their advertising and circulation revenues. We confidently expect, therefore, as we reported to our shareholders a year ago, that Time Inc. will "participate fully in the resurgence of the U.S. economy."



Andrew Heiskell
Chairman of the Board
and Chief Executive Officer



James R. Shepley
President and
Chief Operating Officer

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

THE 1976 PROSPECT

Hedley Donovan
Editor-in-Chief

This looks like a big news year. The succession seems to be unfolding in China; many expect a leadership shift this year in Russia, too. In the U.S. we will choose a new President, or our first appointed President will get himself elected in the regular way. Whichever the outcome, the campaign will be fascinating. Americans will surely be hearing a lot in 1976 about Angola, Lebanon, Portugal and Argentina—and, predictably, some unpredictable places. Sports Illustrated, Time and People, among others, will be covering the Olympic Games in Montreal. Fortune, Money and Time, among others, will be covering an exceptionally interesting year for the economy of the U.S.

We will all be there, of course, at the 200th anniversary of American Independence, July 4, 1976. In Time Inc. last year we acted on a hunch and hope that the Bicentennial need not be a bore. The response to our special Bicentennial issues of Time, Life and Fortune did indeed show a powerful public interest in the national epic, in the original American proposition, and in what it could mean today. Our magazines will be pursuing these themes this year.

The American past speaks to us with special force, no doubt, because of the experiences just behind us. The decade 1965-1975 was perhaps the most damaging in our history. The Depression of the 1930s caused harsh privations and shook faith in the economic system, but 1965-1975 called into question virtually every American value and premise. Vietnam, Watergate, racial violence in the cities, rebellion on the campuses, the end of cheap energy, a bad recession plus high inflation (at least prices went down during the Depression).

The recession had ended by the third quarter of 1975. If the harshest decade is also really over, that does not mean we go back to some state of pre-Vietnam innocence. We are afflicted by rising crime rates, terrorism, a growing crisis in city finances and services, and painful trade-offs between environmental values and productive efficiency. Sober men can argue, as does James Schlesinger, the deposed Secretary of Defense, in the February 1976 Fortune, that the world military balance is shifting against the U.S. Various observers, scholarly and otherwise, have officially buried the American Dream, the U.S. version of Victorian Optimism, and the Idea of Progress.

But surely the optimistic and reformist strain does persist in American life. To find out how it has been tempered, and how it can still play upon our other great resources, is no less the work of journalists than of the 1976 Presidential candidates. That could indeed be called the biggest story around.



copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

MAGAZINES

ARTHUR W. KEYLOR
Group Vice President

People, our newest magazine, became profitable after only 18 months.

Circulation revenues from Time Inc.'s magazines rose 24 per cent in 1975 to an all-time high of $120 million.

Higher advertising page rates partially offset a decline in ad pages, but advertising revenues declined 5 per cent.



copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

TIME

For the sixth year running, Time, The Weekly Newsmagazine, led all magazines in worldwide advertising revenues. Time's 1975 revenues were $157 million, down from $172 million in 1974 but still higher than those of any other publication.*

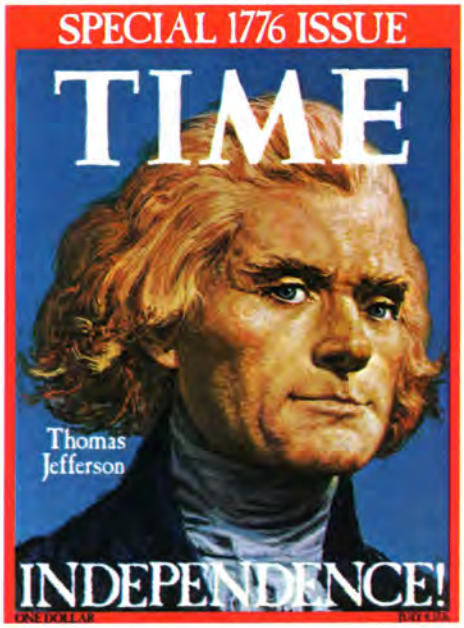
Advertising pages in the U.S. editions of the magazine declined 23 per cent to 2,424 pages, and although advertising rate increases partially offset the decline in pages, domestic ad revenues were 11 per cent below the 1974 level of $132 million. Throughout the rest of the world, however, Time experienced advertising revenue gains in its Atlantic, Asian and Latin American editions.

In order to provide further circulation flexibility for the magazine's advertisers, Time introduced several new "editions" last year. These included a 300,000-subscriber breakout of top-management people and a 1.2-million-reader segmentation of very-high-income subscribers. On the strength of reader support, moreover, Time was able to raise its basic subscription price from $18 to $22.

On the editorial front, the publishing highlight of the year for Time was its Bicentennial issue (see photograph) dated July 4, 1776, which sold six million copies, including those sent to four million regular subscribers. This was the largest print order ever for a single issue of Time, and the newsstand sellout was achieved despite a cover price of $1 (25c above normal). This issue also became the basis for a very successful half-hour promotion program—*Now's the Time*—which traveled to 20 cities across the U.S., and has been converted to film for both commercial and educational purposes.

Time's Canadian edition was hampered last year by a six-week Canadian postal strike and pending legislation that would remove Time Canada's exemption from the requirement that a magazine be "Canadian" for advertising to be tax deductible for its Canadian advertisers. The passage of this legislation, which seems almost certain (in February 1976 it was passed by the Canadian House of Commons), has made continued publication of a special Canadian editorial section uneconomical. However unfortunate, the resulting change in operations will not have a material effect on Time's overall operations.

* Publishers Information Bureau figures for domestic revenues, and Company estimates of foreign revenues are used for individual magazines in this report.



The Bicentennial Issue of Time reported the news of the week of July 4, 1776, as though Time had been publishing then. It was so successful (six million copies sold) that a follow-up is planned this year that will report on the week of September 25, 1789, when the Republic was born.

Alternate Delivery Methods for Time are being tried because of the continuing rise in U.S. postal rates. Six experiments are currently underway (including the use of newsboys, below).



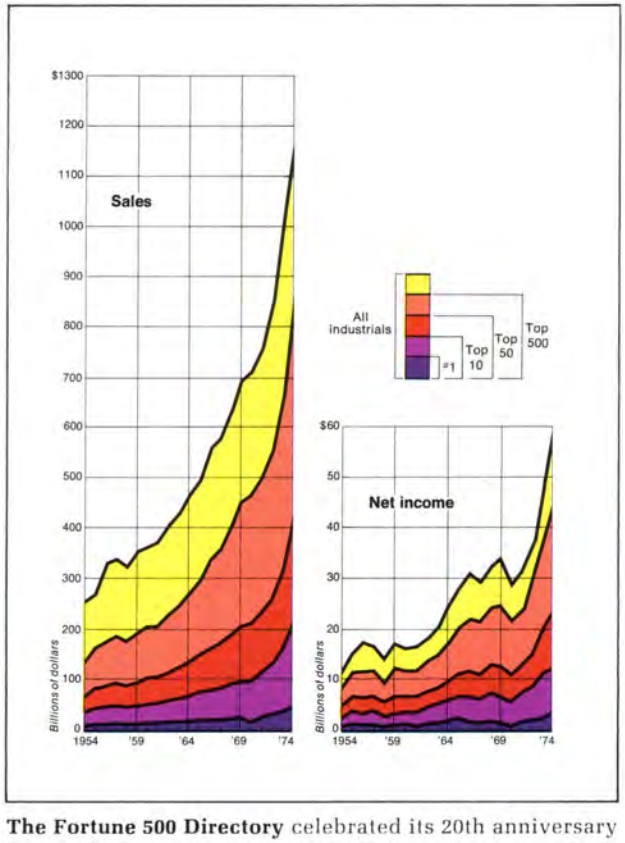
copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

FORTUNE

Fortune capitalized on its editorial strength last year to increase its basic subscription price 25 per cent. In January 1976 the subscription rate was raised another 13 per cent to $17 a year. Fortune's circulation, meanwhile, rose from 600,000 to 615,000. Revenues from 1,432 pages of advertising in 1975 were $21.8 million, down 6 per cent from the record 1974 high.

In its August issue, Fortune further refined its widely acclaimed compendiums of business bigness by adding foreign subsidiaries of U.S. corporations to its World Business Directory. (The largest such U.S. subsidiary added to the list: Ford Motor of Canada, with revenues of $4.4 billion, making it the 35th largest company on the list of the 300 largest foreign companies.)

In the January 1976 issue, a second group of 10 laureates was selected by Fortune's Board of Editors for inclusion in the Hall of Fame for Business Leadership. Among them were four living businessmen: Cyrus R. Smith (American Airlines), Stephen D. Bechtel Sr. (Bechtel Corp.), Thomas J. Watson Jr. (IBM) and George S. Moore (First National City Bank).



The Fortune 500 Directory celebrated its 20th anniversary in 1975. The graphs above from the Directory issue show dramatically the share of total U.S. industrial sales and profits that the 500 largest companies accounted for between the years 1954 and 1974.



Fast-closing Color coverage of sports events is a hallmark of SI's handsome style. In the picture above, staff photographer Neil Leifer photographs a Sunday Colts-Dolphins football game. The pictures reached readers coast to coast by the following Wednesday.

SPORTS ILLUSTRATED

Sports Illustrated continued to rank fourth among all U.S. magazines in terms of advertising revenues. Although SI's advertising revenues declined 6 per cent compared to 1974, its position vis-à-vis the magazines with which it competes improved. On the circulation side Sports Illustrated continued its aggressive pricing policy—the basic subscription was raised from $14 to $16.

In September, Sports Illustrated promoted its Pro Football Edition as a special issue, raising the cover price to $1 (vs. the usual 75c). The resultant high sale and additional revenues established this edition as the most profitable newsstand issue in Sports Illustrated's history.

Editorially, SI continued to emphasize fast-closing coverage of weekly sports events, along with an increasing use of full-color photography (see above). But, SI also continued to publish more contemplative articles, including definitive biographies of such all-time sports greats as Bill Tilden and Babe Didrikson Zaharias, and a year-end story on early American sport.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

PEOPLE

People's first full year of publication was one of notable growth in both circulation and advertising revenues. In fact, its rate of growth in both categories led those of all other general magazines.

People's advertising rate base was raised from one million copies in 1974 to 1.25 million in January 1975 and 1.6 million in January 1976.

People is sold primarily on a single-copy basis, especially at supermarkets. It is the second largest circulation weekly U.S. magazine in newsstand sales, and the sixth largest weekly in total circulation. In July 1975, People's cover price was raised from 40c to 50c and newsstand sales of the first higher-priced issue set a new record to that date.

People's advertising sales are oriented primarily toward the so-called women's categories that other Time Inc. publications do not emphasize—personal-care and grocery products, and apparel. During 1975, these and other women's advertising categories accounted for an increased proportion of People's advertising revenues and this trend is continuing this year.



People in Supermarkets is one key to our newest magazine's spectacular circulation success. A 79-man sales force has been developed especially to market People through retail outlets.



Money Management can take a number of forms. To help its readers get the most value for their money, Money offered articles on such dollar-stretching activities as "Tooling Up a Home Workshop," for which an illustration is being photographed above.

MONEY

Money magazine, which was introduced in 1972, raised its advertising rate base from 450,000 copies in 1974 to 600,000 copies in 1975, and will raise it again to 650,000 copies beginning with the April 1976 issue. In line with the Company's policy of looking increasingly to readers for financial support, the basic subscription price for Money was raised from $9 to $12 in January 1976.

Money's total advertising revenues rose 44 per cent as compared with 1974.

Magazine Development Group

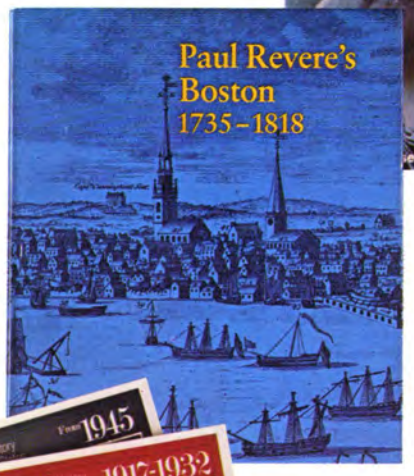
The Magazine Development Group, which launched People and continues to oversee the development of both People and Money, also publishes Life Special Reports. Last year it published and distributed more than one million copies each of *The Year in Pictures—1974* and a Bicentennial history of *The 100 Events That Shaped America.*

Currently, the Magazine Development Group is evaluating other magazine possibilities and is helping Home Box Office to develop its program guide, On Air.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023







BOOKS

JOAN D. MANLEY
Group Vice President

Time-Life Books revenues rose 23 per cent above 1974.

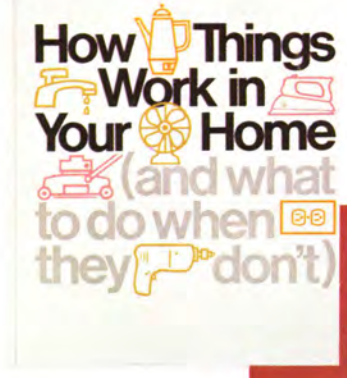
The division shipped 27 million volumes in 1975.

Revenues of Little, Brown and Company set a new record.













copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

TIME-LIFE BOOKS

Time-Life Books, one of the 10 largest book-publishing operations in the U.S. in terms of revenues, had a very good year in 1975. Sales and profits both reached record levels. Sales outside the U.S. were particularly strong, accounting for 47 per cent of the Book Division's total revenues of $178 million.

Three series were launched in 1975: The Time-Life Library of Boating; The Life History of the United States (reissued for the Bicentennial) and Great Men of Music, a record-album series. A number of single titles were also marketed, including the very successful *How Things Work in Your Home* (415,000 copies), which led to the decision to publish a new series in 1976: Home Repair and Improvement.

While most book series usually do best the first year they are published, the 12-volume Time-Life Encyclopedia of Gardening is an exception. Since its introduction in 1971, mail-order sales of this series have risen each year, and last year a record one million volumes were sold.

Late in 1975, Time-Life Books announced that it is contemplating moving its operations out of New York City, possibly by 1977, in order to realize substantial operating economies.

BOOKS & ARTS ASSOCIATES

Time Inc. also engages in several publishing activities grouped together as Books & Arts Associates. These include the venerable but lively Boston publishing house of Little, Brown and Company (Inc.), which listed among its more successful titles last year Masters and Johnson's *The Pleasure Bond* and Dumas Malone's work on Thomas Jefferson, which won a Pulitzer Prize.

Another Books & Arts associate is the New York Graphic Society Ltd., the largest publisher of fine-art reproductions in the world. Graphic celebrated its 50th anniversary in 1975. Its subsidiary, Alva Museum Replicas, Inc., which has exclusive reproduction rights to hundreds of museum artifacts, marketed a particularly successful issue of hand-crafted copies of the *Flying Horse of Kansu* last year (see photograph).

In addition to these wholly owned subsidiaries, Books & Arts Associates includes several foreign publishing firms in which Time Inc. owns minority interests. These are Editions Robert Laffont in France, Rowohlt Taschenbuch Verlag in West Germany, Salvat Ediclub in Spain and Organizacion Editorial Novaro S.A. in Mexico.



The Flying Horse of Kansu, a limited-edition of 750 copies of the famed Chinese statue, was marketed by Alva Museum Replicas last year at $500 the copy.

Another Series Launched. The Time-Life Library of Boating was one of three series inaugurated by the Book Division last year. A "how to" library for sail and power sailors, Boating is the 19th series marketed by Time-Life Books since its inception 15 years ago. Below, researchers assigned to the series learn the ropes.



copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

TELEVISION AND FILMS

J. RICHARD MUNRO
Group Vice President

Home Box Office launched the first national pay-television satellite network in 1975.

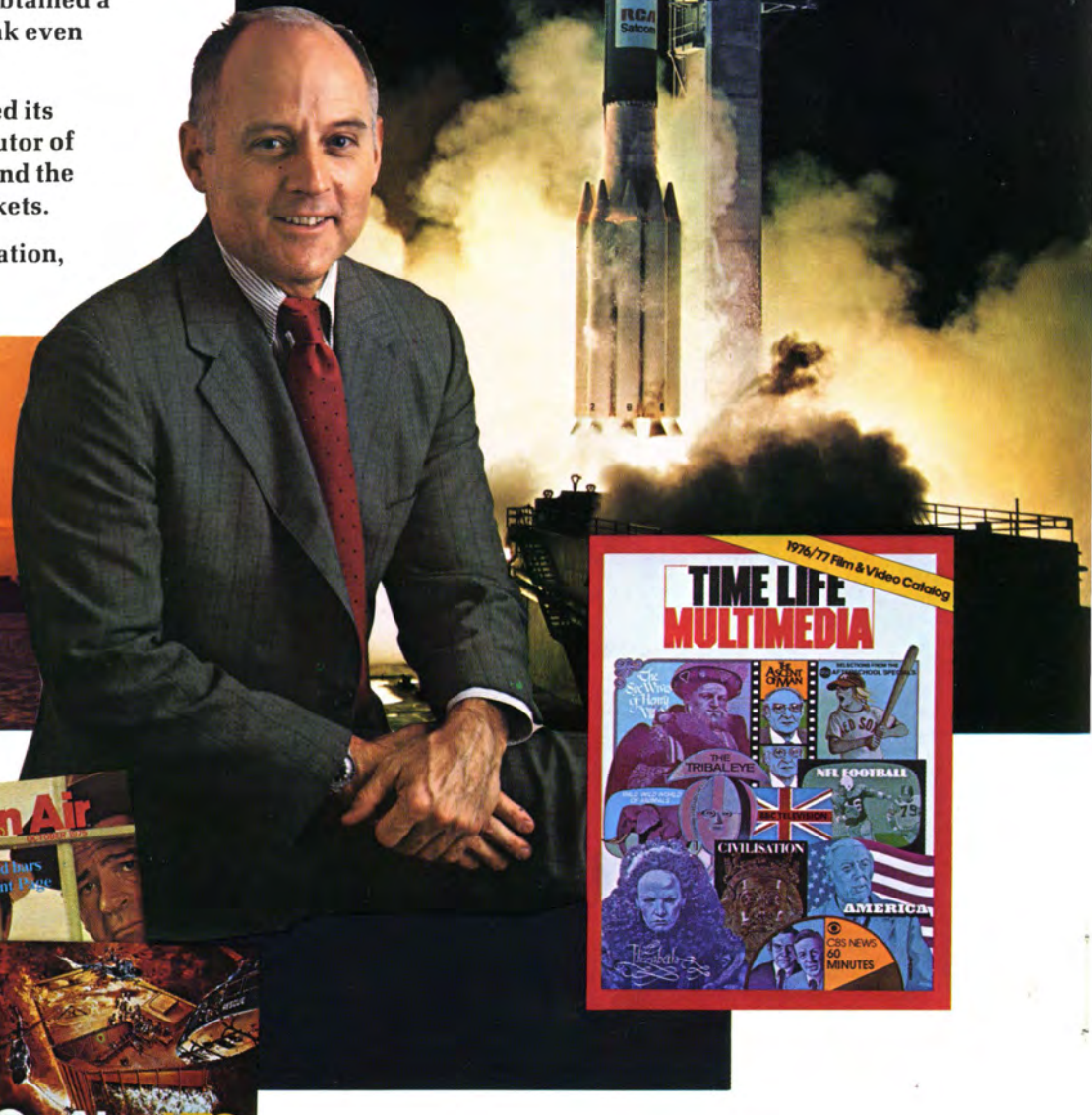
Manhattan Cable Television obtained a rate increase and reached break even by year end.

Time-Life Films, Inc., enhanced its position as a producer-distributor of programs for both television and the educational-institutional markets.

WOTV, our VHF television station, had its best year.









copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

HOME BOX OFFICE

HBO's September telecast of the Ali-Frazier championship fight from Manila marked the launching of the first pay-TV network via satellite, and established HBO as the clear leader in this exciting new communications field.

During 1975, HBO's subscribers quintupled, rising from 58,000 at the beginning of the year to 287,000. Microwave-interconnected CATV systems still account for most of these subscribers, but at year end CATV systems nationwide were hooking into the HBO network via domestic communications satellite. Virtually every major multiple-system CATV company has contracted for HBO programing for some of its systems.

In 1976, HBO will add to its programing menu a 100-event sports package from the Los Angeles Forum and a 13-film package from the American Film Theatre. Last year, HBO added a BBC series, The Pallisers, which was the first TV series ever to appear *first* on pay-TV, and also selected home basketball games of the Portland Trail Blazers, the Golden State Warriors, the Buffalo Braves and the Seattle SuperSonics.

MANHATTAN CABLE TELEVISION

Time Inc.'s CATV system, which serves the lower half of Manhattan, was one of the pioneer large-city cable television systems. Launched in 1967 and later acquired outright by Time Inc., Manhattan Cable had to overcome the multifarious problems of running cable under city streets and up high-rise buildings.

Late in 1975, aided by a New York City-approved increase in its basic monthly rate from $9 to $10, an improved service organization and an aggressive marketing program—and by the considerable appeal of HBO programing—Manhattan Cable finally reached break even.

Subscribers to the basic service now total approximately 80,000.

WOTV

Time Inc.'s television station, WOTV, had its best year. Its share of the aggregate revenues generated by the four TV stations in the Grand Rapids market was 42 per cent.

To further streamline its news operations, WOTV is investing $200,000 in lightweight electronic camera equipment this year. This will enable WOTV to record news and sports events directly on videotape, thereby avoiding the cost and time of processing photographic film.





Animals and Pythons are popular film subjects. The Wild Wild World of Animals series is entering its fourth year of production by Time-Life Television. Monty Python's Flying Circus is a BBC comedy series distributed by Time-Life Television in the U.S.

TIME-LIFE FILMS

Time-Life Films, Inc., had record revenues of $12 million in 1975 and, for the first time, contributed to corporate profits. Films now has three operating departments: Time-Life Television, which provides programs to the commercial and public television networks and to individual stations; Time-Life Multimedia, which markets 16-mm films, videocassettes and filmstrips to schools, libraries, businesses and governmental agencies; Time-Life Television Books, organized last year to create books based on film division programs.

Time-Life Films continued as the principal U.S. distributor for the British Broadcasting Corporation, and undertook several co-productions with the BBC. These included a 10-part dramatization of Tolstoy's *Anna Karenina* and the P. G. Wodehouse Playhouse. Time-Life Films also made television sales of programs drawn from two Time Inc. publications: People magazine and *Life Goes to the Movies*. The latter will be a three-hour network special presented by NBC during the 1976-1977 season.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

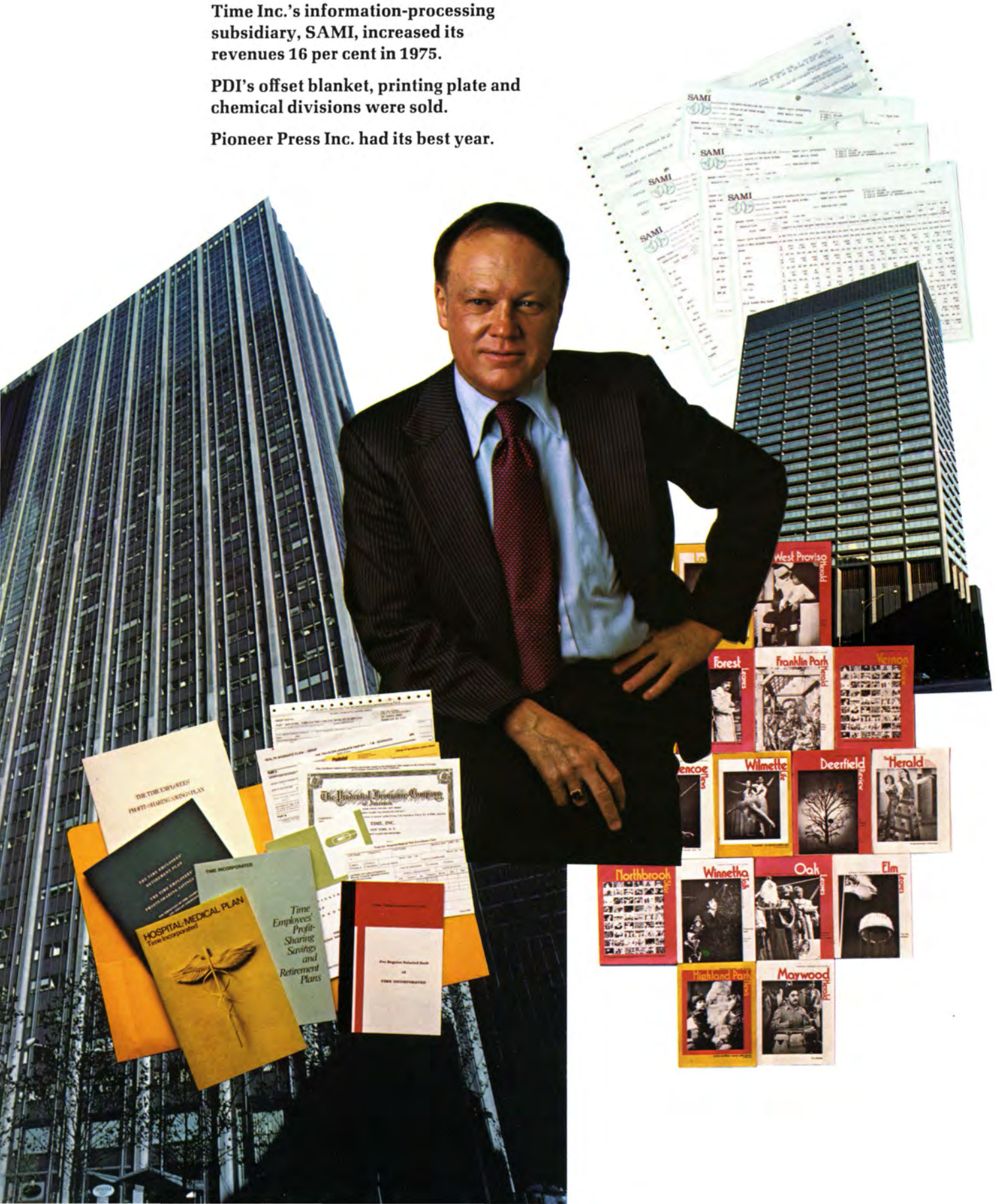
OTHER ACTIVITIES

CHARLES B. BEAR
Group Vice President

Time Inc.'s information-processing subsidiary, SAMI, increased its revenues 16 per cent in 1975.

PDI's offset blanket, printing plate and chemical divisions were sold.

Pioneer Press Inc. had its best year.



copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

SELLING AREAS-MARKETING, INC.

SAMI provides computerized information to manufacturers on the movement of food-store products from warehouses to supermarkets. It had a good year in 1975. Revenues were up 16 per cent over 1974 and profits more than doubled.

SAMI utilizes the vast computer capacity of the Chicago-based Time Inc. fulfillment operation to process food-movement data. During 1975, SAMI began offering clients several new and improved services, including computer-produced graphs and data prescreened by computer to highlight all significant changes in client sales. SAMI now tracks 36 markets, which account for 75 per cent of all the merchandise sold in U.S. supermarkets. Its reports to clients for one month would, if piled up, be as tall as a 40-story building.

PIONEER PRESS

This group of 17 suburban-Chicago weekly newspapers had its most profitable year in 1975. Although relatively small in Time Inc.'s overall operations, Pioneer is one of the largest weekly newspaper groups in the U.S. It is unique in suburban publishing in several respects: circulation is all paid, the papers are stitched and trimmed like magazines, and the editorial and advertising formats also resemble those of magazines.

Pioneer combines editorial localism with centralized advertising and production. It currently has approximately 100,000 subscribers.

541 is the nickname for Time Inc.'s sophisticated data center located at 541 North Fairbanks Court in Chicago. There, two IBM 370/168 computers operating in tandem have a memory capacity of 15 billion characters. In addition to processing orders and subscriptions for Time Inc. magazines and books, the computers provide all of SAMI's print-outs.





Compudot Scanner marketed by PDI is a major departure from conventional methods of producing screened photographic color separations because it eliminates mechanical screening.

PRINTING DEVELOPMENTS, INC.

PDI, our printing-equipment subsidiary, sold its offset blanket, printing plate and chemical operations to Wheelabrator-Frye Inc. This subsidiary will henceforth concentrate on the sale and lease of color scanners, phototypesetting equipment and related hardware. PDI has been particularly successful in Japan where it presently has 35 color scanners under lease and a backlog of orders for more to be shipped in 1976. Its market position was enhanced in 1975 by the introduction of a new line of Compudot/Compuscale scanners.

ADMINISTRATION

Time Inc. now employs 12,000 people around the world. The greatest number are concentrated in New York City (2,700—mostly in publishing); East Texas (4,300—mostly forest products); Chicago (1,400—in data processing and in servicing and fulfilling subscriptions to book series and magazines). As an equal-opportunity employer, the Company has an active program to promote career advancement of its employees without discrimination. The achievement of full equality of opportunity for all staff members continues to be a priority objective of Time Inc.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023



FOREST PRODUCTS

ARTHUR TEMPLE
Group Vice President

1975 was the second-best year for our pulp and paperboard operations.

Building-materials sales were depressed by the continuing slump in construction.

Our $65 million pulp and paperboard capital-expansion program is nearing completion.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

EASTEX DIVISION—PULP AND PAPERBOARD

The Eastex pulp and paperboard mill in Evadale, Texas, had its second best year in 1975. Although sales and earnings were below the record level of 1974, the performance of the Eastex Division was gratifying, particularly in view of the generally soft condition of the paper market during 1975.

The construction of new manufacturing facilities and the integration of new pulp and papermaking components into the existing mill slowed production at times, but unlike many paper mills, Eastex never had to suspend production during 1975 for lack of orders. Eastex's broad product range permitted it to alter its product mix quickly and to serve a wide variety of paperboard and pulp customers. The division produces some 300 grades of bleached paperboard, and supplies more than 200 customers, no one of which accounts for more than 8 per cent of total sales.

Eastex was able to increase its export sales in 1975 because of its production flexibility and long-term export commitments entered into in 1973 and early 1974.

The Eastex $65-million capital improvement program is nearing completion, and several components were tested during 1975. The new facilities include a pulp washing-and-bleaching system that performs eight previously separate processing operations in two huge multi-million-dollar vessels. The new complex will occupy less space and require less energy, less water and less manpower per unit of production than conventional pulp-processing systems.

A new 18-story-high chemical recovery boiler system (see photograph) will also begin operating in the second quarter of 1976. This facility will permit more efficient recycling of the chemicals used in papermaking and the conversion of organic wastes to steam and power.

The Eastex construction program should be completed in the second quarter of 1976. When start-up operations are finished, the mill's paperboard capacity will be increased by 15 per cent to 1,500 tons per day. In the meantime, however, the mill's ability to operate at normal production levels is somewhat impeded. Therefore, we expect pulp and paper tonnage in the first half of 1976 to be below last year's level.

A small but growing source of revenue for the paper operation is the manufacture of by-products such as turpentine and tall oil. Revenues from these by-products in 1975 totaled $3 million.

Computer Control Center of the new pulp-bleaching plant at Evadale constantly monitors and adjusts the process that removes the natural tan coloration of the pulp fiber for the production of high-quality bleached paperboard.





New Chemical Recovery Tower recently completed at the Evadale paperboard mill is as tall as an 18-story building. One of the most efficient units ever built for recycling chemicals used in the pulping of wood fiber, the tower will also reduce the volume of pollutants.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

TEMPLE DIVISION—BUILDING MATERIALS

Our building-materials operations were again depressed during 1975 as a result of the continuing slump in construction activity. New housing starts—the traditional barometer of building activity—reached a 30-year low at the beginning of 1975, dipping to an annual rate of fewer than 900,000 units, as compared with 2.2 million units as recently as 1973. Lagging commercial and industrial construction also reflected the general economic malaise.

By the second half of 1975, however, building activity began to show some improvement. The home remodeling and do-it-yourself markets added to the gentle upward trend, and a modest but continuing improvement is expected in building activity during 1976.

Mortgage-lending institutions experienced a significant savings inflow late in 1975, and mortgage interest rates are expected to remain relatively stable this year. These two factors, plus an expected improvement in consumer confidence, should lift construction activity into the range of 1.6 million housing starts during 1976, and significantly increase the demand for building materials.

Despite the construction slump, the Building Materials Division was able to increase the sale of its products in Southeastern and Eastern markets last year. This was primarily because more orders for building materials lent themselves to truck movement as customers sought to meet only specific inventory requirements. This trend to less-than-carload buying gave the Building Materials Division a better opportunity to serve those customers who normally purchase in carload lots from large producers.

In line with our long-standing policy of adjusting product mix to meet market demands, Temple temporarily closed its gypsum-wallboard operations at Irving, Texas, last year, and converted a conventional sawmill at Pineland, Texas, into an automated studmill that will operate in conjunction with our new plywood mill in Pineland. This plywood mill and a new particleboard plant in Thomson, Georgia, completed their first full year of production during 1975.

The primary source of energy for all Temple-Eastex operations is natural gas. However, because this energy source will be curtailed in the future by government restrictions and shrinking supplies, we are developing other sources of energy wherever possible. As intrastate prices of natural gas rise, moreover, the conversion to other energy sources becomes increasingly economical.





Tractor-Trailer Loads of wood chips, sawdust and shavings are automatically dumped at our mills for conversion into pulp, paperboard and particleboard. Most of the 2.4 million tons used last year were generated at our own sawmills and plywood plants, but a portion was purchased from outside sources.



New Particleboard Mill in Thomson, Georgia, completed its first full year of production in 1975. Particleboard is used primarily as a subsurface for veneer furniture and a subflooring in home construction. The Thomson mill, together with another in Diboll, produced over 153 million square feet of particleboard in 1975.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

For instance, the construction of wood-fired boilers to burn wood residues for conversion to steam at our Pineland and Diboll complexes will reduce our overall energy costs significantly.

Meanwhile, to improve our natural gas supply situation, we are continuing to search for gas reserves beneath our own forest lands, and our drilling contracts give us first call on all gas discovered on the 300,000 acres on which the Company owns mineral rights.

An interesting by-product operation we are about to undertake is the production of wood molasses for cattle feed. To dispose of the effluent from our fiberboard plant in Diboll, we are building an evaporator capable of handling 640,000 gallons a day—which should be producing 20,000 tons of molasses a year by 1977.

TEMPLE-EASTEX FORESTS—TIMBERLAND

The third major division of Temple-Eastex is the Forests Division, which supervises more than a million acres of Company-owned timberland in East Texas. The Forests Division planted more than 13 million seedlings on 21,000 acres of Company land during the 1974-1975 planting season.

Division road crews constructed an additional 85 miles of service roads on our timberland during the year, increasing the Temple-Eastex road net to more than 1,400 miles.

The harvest of pulpwood and saw logs taken from Company-owned lands this year was slightly higher than planned because of the reduced offerings of timber from outside sources including the U.S. Forest Service.

We have, for many years, tried to retain at least 30 per cent of the new timber growth on Company lands. As a result of this policy, our total inventory of standing timber increases from year to year. The larger volume of timber harvested last year will not alter this policy.

Our Company has been a leading proponent of the establishment of a national preserve in East Texas to protect the unique ecology and the flora and fauna of the area. Some 27,000 acres of Company land are to be included in the federally mandated Big Thicket National Preserve there. Although funds to purchase the lands to be included in the preserve were not provided by Congress last year, we continued to refrain from harvesting timber on the land slated for inclusion in the Big Thicket National Preserve.

PACKAGING AND OTHER OPERATIONS

The Eastex Packaging Division enjoyed a good year in 1975. Revenues totaled $20 million.

Custom packaging encompasses a broad range

Seedlings and Service Roads provide essential support for our Forests Division. The 200-acre Stillman Nursery in Newton County, Texas, cultivates some 15 million pine seedlings for both research and reforestation purposes. The road crews maintain and constantly add to our 1,400-mile road network.





Finished Products like the bedroom furniture manufactured by the Temple-Eastex subsidiary, Woodward, Inc., comprise a small but growing part of our forest products activity. Woodward, which is located in Austin and employs 675 people, is the largest manufacturer of wood furniture in the state of Texas.



copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

of talents and disciplines: graphic design; structural integrity; an intimate knowledge of each customer's distribution and warehousing requirements and practices. By offering a complete service, Eastex Packaging has, over the past five years, significantly increased its revenues.

It now operates paperboard converting plants in Memphis, Tennessee, Charlotte, North Carolina, and Madison, Wisconsin. Each facility has complete design, production and sales capabilities. Products range from simple bubble-gum boxes to sophisticated pharmaceutical containers and a wide variety of food-product packages.

AFCO Industries, Inc., another small but growing Temple-Eastex subsidiary, produces decorative wall paneling and finished aluminum extrusions. It serves the do-it-yourself markets as well as commercial builders and industrial users. Last year it acquired Bestile Manufacturing Co., a California building-products manufacturer. Bestile will enable AFCO, for the first time, economically to sell its entire line of decorative paneling, aluminum and plastic hardware on the West Coast, thus further expanding its geographic market.

Temple-Eastex's other operations include ownership of Woodward, Inc., the largest manufacturer of bedroom furniture in Texas, and Lumbermen's Investment Corporation, a large mortgage banking firm in the Southwest. Lumbermen's increased the portfolio of loans it services for institutional investors by $38 million last year to $450 million as of January 1976.

TEMPLE-EASTEX INCORPORATED

Net Sales*

	Year ended December 31,		
	1975	1974	1973
	(in millions of dollars)		
Paper & Paperboard	$101.4	$110.7	$ 86.9
Market Pulp	35.0	26.9	6.2
Pine Lumber	13.5	15.0	20.9
Fiberboard	16.6	14.8	16.1
Particleboard	12.3	9.6	12.5
Plywood	18.7	8.9	9.2
Gypsum Wallboard	7.3	9.1	11.4
Decorative Wall Paneling	10.9	7.9	8.2
	$215.7	$202.9	$171.4

Unit Sales*

	Year ended December 31,		
	1975	1974	1973
	(in thousands of tons)		
Paper & Paperboard	316	390	411
Market Pulp	123	98	45
	(in millions of board feet)		
Pine Lumber	103	105	132
	(in millions of square feet)		
Fiberboard	301	269	311
Particleboard	150	117	111
Plywood	198	97	90
Gypsum Wallboard	167	216	311
Decorative Wall Paneling	50	40	42

*Includes intercompany sales but does not include (1) conversion of paper into folding cartons, (2) distribution of building materials through wholesale and retail outlets of Temple-Eastex or (3) timber sales.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023



FINANCIAL REVIEW

RICHARD B. McKEOUGH
Vice President—Finance

Net income for 1975 was $45.1 million, down 10.3 per cent from the record earnings of 1974. The decline was due primarily to the impact of inflation on operating expenses, particularly in the production of pulp and paperboard, to the continued low level of new housing starts, which adversely affected the building-materials industry, and to reduced advertising volume for the Company's magazines.

The Company's 1974 net income was $50.2 million, up 5.7 per cent from 1973. Per-share net income rose 9.4 per cent in 1974 to $5.01, reflecting in part the effect of the Company's 500,000-share stock-repurchase program that year. The average cost of stock repurchased was $37.30 per share, a price approximately equal to book value at the time. The average number of shares outstanding during 1974 was 10,031,000, down 349,000 from 1973. The rise in 1974 earnings was due mainly to the record performance of our pulp and paperboard operation.

In December 1975, the Financial Accounting Standards Board adopted a statement, applicable to financial statements for annual and interim periods ending on or after December 31, 1975, which requires that marketable equity securities be carried on the balance sheet at the lower of cost or market value. Unrealized gains and losses in the aggregate market value of these securities, if classified as current assets, would be recognized in the period in which they occur. Although the market value of our preferred and common stocks was not materially less than cost at the end of the year 1975, we have reclassified this portfolio from a current asset to "investments (noncurrent)" as permitted by the statement. This action will prevent temporary fluctuations in the valuation of marketable equity securities from causing wide swings in quarterly earnings.

In January 1976, the Company sold $50 million of 7⅞ per cent Notes due January 15, 1986. These notes were rated AA by Standard & Poor's and Aa by Moody's. The proceeds from the sale of these notes have been used in part to retire or prepay $18 million of term loans and short-term debt. Approximately $15 million will be used to finance the completion of the $65 million paper-mill expansion at Evadale, Texas. The remainder will be added to working capital. In view of the issuance of these notes, the Company has canceled $65 million of revolving bank credit agreements, which were convertible into five-year term loans.

Interest expense was $10.3 million in 1975, $10.7 million in 1974 and $7.7 million in 1973.

Our balance sheet continues to reflect our financial strength. The ratio of current assets to current liabilities at the end of the year 1975 was 2.8 to 1. After the issuance of the above-mentioned notes, our long-term debt was 27.4 per cent of total capitaliza-

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

tion (shareholders' equity plus long-term debt).

Publishing

Income before taxes from publishing activities was $43.0 million in 1975, $44.3 million in 1974 and $56.1 million in 1973. In 1973, publishing benefited from lower subscription-procurement costs resulting from the suspension of Life and the transfer of a portion of Life subscriptions to other Company publications. A partial elimination of this factor in 1974 plus start-up costs of the Company's two new magazines, People and Money, and sharply rising costs for producing and distributing the Company's publications were mainly responsible for the 1974 decline in publishing income. In 1975, improvement in magazine circulation income and book publishing income and higher advertising rates were more than offset by a decline in advertising pages for all magazines (except People) and by the effects of inflation on production and distribution costs. Production and distribution costs for magazines and books increased approximately $20 million in 1975 and $36 million in 1974. Approximately $19 million of these higher costs in 1975 and $25 million in 1974 were attributable to price increases. Paper prices rose approximately 10 per cent in 1975 and 30 per cent in 1974.

Magazine revenue increases in 1974, except for revenues of $12.2 million from People, were mainly the result of price increases. In 1975, advertising revenues were down because of a decline in advertising pages, only partially offset by increases in page rates. Circulation revenues increased in 1975 as a result of price increases and circulation growth for People and price increases for other magazines.

FIVE-YEAR FINANCIAL SUMMARY

Time Incorporated and Subsidiaries (in millions of dollars except for per share data)	**1975**	1974	1973	1972	1971
Income and Dividends					
Revenues	**$910.7**	$825.6	$728.3	$608.6	$544.5
Editorial, production, manufacturing and distribution costs	**575.0**	511.0	428.4	358.2	330.4
Interest expense	**10.3**	10.7	7.7	7.5	7.8
Taxes on income	**30.9**	39.3	41.4	30.2	24.4
Income before discontinued operations and extraordinary items	**45.1**	50.2	49.9	38.3	32.6
Discontinued operations, net of taxes	**—**	—	—	(3.5)	(3.4)
Income before extraordinary items	**45.1**	50.2	49.9	34.8	29.2
Extraordinary items, net of taxes	**—**	—	(2.4)	(3.0)	.9
Net income	**45.1**	50.2	47.5	31.8	30.1
Dividends paid	**20.0**	20.0	16.8	13.8	13.8
Per Share					
Income before discontinued operations and extraordinary items	**$4.52**	$5.01	$4.81	$3.69	$3.16
Discontinued operations, net of taxes	**—**	—	—	(.33)	(.33)
Income before extraordinary items	**4.52**	5.01	4.81	3.36	2.83
Extraordinary items, net of taxes	**—**	—	(.23)	(.29)	.09
Net income	**4.52**	5.01	4.58	3.07	2.92
Dividends paid	**2.00**	2.00	1.90	1.90	1.90
Average shares outstanding (000)	**9,975**	10,031	10,380	10,373	10,298

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

Book revenue increases in 1974 and 1975 reflected greater volume and the introduction of higher-priced book series.

A breakdown of publishing revenues for the past three years follows:

	1975	1974	1973
	(in millions of dollars)		
Magazines—Advertising	$188	$197	$187
Circulation	120	97	80
Time-Life Books	178	145	126
Other Publishing	45	39	37
Total	$531	$478	$430

Forest Products

Income before taxes from our forest-products activities was $36.0 million in 1975, $52.8 million in 1974 and $39.8 million in 1973. Net unit revenues (average prices) of our forest products over the past three years were:

	1975	1974	1973
Paperboard (per ton)	$321	$284	$211
Pulp (per ton)	284	274	136
Lumber (per thousand board feet)	131	143	158
Fiberboard*	55	55	52
Particleboard*	81	81	113
Plywood*	94	92	101
Gypsum Wallboard*	44	42	37

*per thousand square feet

The demand for pulp and paperboard rose during the 1973-1974 period, particularly in 1974, but declined modestly in 1975. Price controls held paper prices below their natural market levels in 1973. When controls were lifted in March 1974, prices for most paper products rose dramatically.

Production of pulp and paperboard increased from

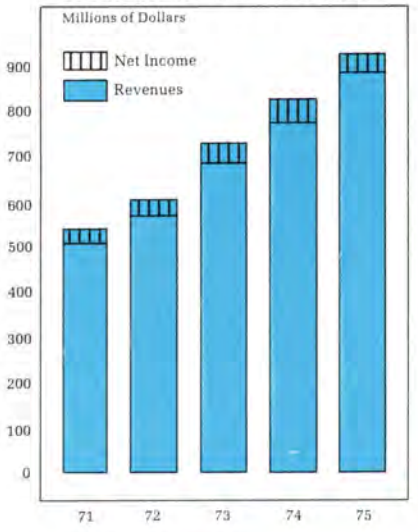
LINES OF BUSINESS

Time Incorporated and Subsidiaries (in millions of dollars)	**1975**	1974	1973	1972	1971
Revenues					
Publishing[1]	**$531.0**	$478.5	$430.1	$362.9	$324.7
Forest products[2]	**257.6**	242.3	199.2	160.0	138.7
Other operations[3]	**105.9**	97.7	96.7	84.7	80.3
Developmental activities[4]	**16.2**	7.1	2.3	1.0	.8
Total Revenues	**$910.7**	$825.6	$728.3	$608.6	$544.5
Income (Loss) **Before Income Taxes, Discontinued Operations and Extraordinary Items***					
Publishing[1]	**$ 43.0**	$ 44.3	$ 56.1	$ 40.6	$ 31.8
Forest products[2]	**36.0**	52.8	39.8	26.2	20.8
Other operations[3]	**7.5**	6.2	4.4	5.3	6.1
Developmental activities[4]	**(8.2)**	(8.7)	(6.4)	(3.5)	(1.4)
Income from broadcast properties sold	**—**	—	—	2.4	4.5
Unusual charges to income	**—**	(3.2)	—	—	—
Unallocated corporate administrative costs, financial income and mortgage banking	**(2.3)**	(1.9)	(2.6)	(2.5)	(4.8)
Total income before income taxes, discontinued operations and extraordinary items	**$ 76.0**	$ 89.5	$ 91.3	$ 68.5	$ 57.0

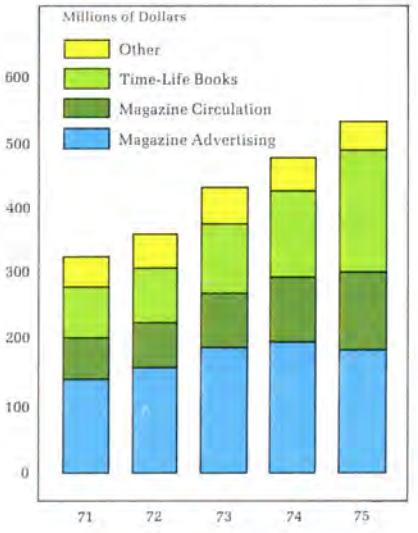
[1] Publication of magazines, books, recordings and related products.
[2] Production of pulp, paperboard and building materials.
[3] Sale of products and services to the graphic arts industry, marketing of information relating to the movement of supermarket products, newspaper publishing, TV broadcasting, film production and distribution, manufacturing furniture and beverage cases, and commercial and industrial contracting.
[4] Operation of cable-TV and pay-TV systems.
* Indirect interest expense was allocated to each line of business based on average net assets.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

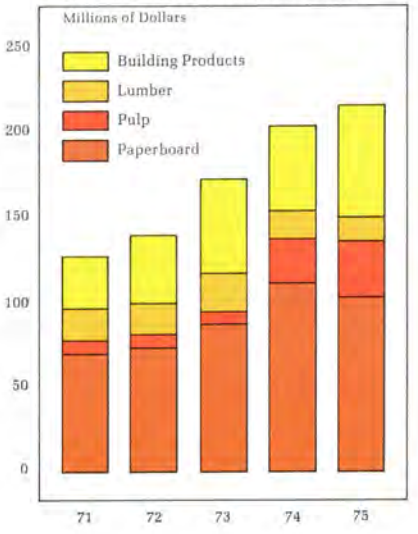
TOTAL REVENUES AND NET INCOME



PUBLISHING REVENUES



PAPERBOARD AND BUILDING-MATERIALS REVENUES



461,000 tons in 1973 to 482,000 tons in 1974. This 5 per cent increase was primarily attributable to greater operating efficiency resulting from the ability to control production schedules better during periods of strong demand. In 1975, production was 441,000 tons. This decline from the 1974 level resulted primarily from a slowdown in demand and from temporary production inefficiencies arising from the paper-mill expansion program.

Building-materials sales are largely dependent on residential construction, which peaked in 1973, dropped to a 30-year low by December 1974 and made only a slight comeback in 1975. Building-materials prices rose in 1973 and declined in 1974. The Company's building-materials operation became unprofitable in the second half of 1974, and production was cut back about 20 per cent. Production was increased in 1975 as housing starts rose slightly. Start-up costs of particleboard and plywood mills also cut into building-materials profitability during 1974.

Manufacturing costs of producing pulp, paperboard and building materials rose throughout 1974 and 1975 primarily because of the increased cost of energy, chemicals and labor.

Developmental Activities

In 1973 our loss on developmental activities was largely associated with Sterling Communications, Inc., a cable television operation in New York City (then majority-owned by the Company). In September 1973, the Company acquired all the assets of Sterling and organized two operating entities—Manhattan Cable Television and Home Box Office, both 100 per cent owned by the Company.

Mainly as a result of a rate increase in March 1974 and certain operating efficiencies, Manhattan Cable Television's loss in 1974 was reduced almost 40 per cent (as compared with 1973). In 1975, a further rate increase, plus the introduction of Home Box Office programing in the Manhattan market, contributed to a continuing improvement.

Home Box Office became operational in late 1972. Although it is still operating at a loss because of start-up costs, promotion outlays and programing expenses, the rapid growth of subscribers in 1975 has cut operating losses by approximately 20 per cent below the 1974 level.

Computer Television Inc., the Company's 80 per cent owned hotel pay-TV operation, continued to be unprofitable during 1975. CTI's assets and business were sold in December 1975, a transaction that resulted in a charge to income before taxes of approximately $1 million.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

CONSOLIDATED STATEMENT OF INCOME

Time Incorporated and Subsidiaries
For years ended December 31

	1975	1974
Revenues	**$910,659,000**	$825,569,000
Costs and Expenses		
Editorial, production, manufacturing and distribution	**575,022,000**	510,995,000
Selling, administrative and general	**261,820,000**	226,297,000
Total Costs and Expenses	**836,842,000**	737,292,000
Operating Income	**73,817,000**	88,277,000
Other Income—Net, and Unusual Charges to Income	**2,134,000**	1,247,000
Income before Taxes	**75,951,000**	89,524,000
Taxes on Income	**30,900,000**	39,300,000
Net Income	**$ 45,051,000**	$ 50,224,000
Per Share of Common Stock:		
Net Income	**$4.52**	$5.01
Average Shares Outstanding	**9,975,000**	10,031,000

The accompanying notes are an integral part of this financial statement.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

CONSOLIDATED BALANCE SHEET

Time Incorporated and Subsidiaries as of December 31

Assets	1975	1974
Current Assets		
Cash	**$ 33,854,000**	$ 32,430,000
Marketable securities—at cost:		
U.S. Government and other short-term securities (approximately market)	**13,094,000**	16,124,000
Preferred and common stocks—quoted market price of $22,400,000 in 1974	**—**	28,063,000
Receivables, less allowances of $26,149,000 in 1975 and $22,312,000 in 1974	**118,555,000**	112,388,000
Notes receivable	**3,300,000**	13,784,000
Inventories—at the lower of cost or market:		
Work in process and finished goods	**69,274,000**	65,977,000
Paper and other materials	**29,727,000**	36,034,000
Prepaid expenses and other current assets	**44,784,000**	41,396,000
Total Current Assets	**312,588,000**	346,196,000
Investments		
Unconsolidated subsidiaries—at equity	**9,403,000**	7,851,000
Companies 20% to 50% owned—at equity	**5,649,000**	17,474,000
Other—at cost less allowances of $700,000 in 1975 and $13,400,000 in 1974	**21,931,000**	17,971,000
Marketable equity securities—quoted market price of $32,416,000 in 1975	**32,719,000**	—
Total Investments	**69,702,000**	43,296,000
Property and Equipment—at cost		
Buildings	**82,456,000**	80,679,000
Machinery and equipment	**306,227,000**	288,175,000
Leasehold improvements	**20,466,000**	18,813,000
Construction in progress	**50,952,000**	24,192,000
	460,101,000	411,859,000
Less allowances for depreciation and amortization	**196,692,000**	177,731,000
	263,409,000	234,128,000
Timber and timberland, less depletion	**35,500,000**	34,300,000
Land	**8,004,000**	7,970,000
Total Property and Equipment	**306,913,000**	276,398,000
Excess of Purchase Prices over Net Tangible Assets of Acquired Properties	**14,616,000**	19,946,000
Notes Receivable	**19,500,000**	22,800,000
Other Assets	**36,495,000**	36,660,000
Total Assets	**$759,814,000**	$745,296,000

The accompanying notes are an integral part of this financial statement.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

Liabilities and Shareholders' Equity	1975	1974
Current Liabilities		
Accounts payable and accrued expenses	**$ 85,275,000**	$ 78,591,000
Employee compensation and profit-sharing contributions	**12,892,000**	12,548,000
Taxes on income	**6,218,000**	16,839,000
Loans and current portion of long-term debt	**6,496,000**	21,028,000
Total Current Liabilities	**110,881,000**	129,006,000
Unearned Portion of Paid Subscriptions	**83,830,000**	75,422,000
Long-Term Debt	**118,176,000**	124,926,000
Deferred Federal Income Taxes	**37,938,000**	38,205,000
Other Liabilities	**11,416,000**	6,829,000
Shareholders' Equity		
Common Stock—$1 par value; authorized 12,500,000 shares; issued 10,392,000 shares in 1975 and 10,387,000 in 1974	**10,392,000**	10,387,000
Additional paid-in capital	**48,742,000**	48,470,000
Retained income	**352,974,000**	327,873,000
Treasury stock, at cost; 395,100 shares in 1975 and 426,800 shares in 1974	**(14,535,000)**	(15,822,000)
Total Shareholders' Equity	**397,573,000**	370,908,000
Total Liabilities and Shareholders' Equity	**$759,814,000**	$745,296,000

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

Time Incorporated and Subsidiaries (in thousands of dollars)

	Common Stock	Additional Paid-In Capital	Retained Income	Treasury Stock	Shareholders' Equity
Balance at December 31, 1973	$10,381	$48,235	$297,650	$ —	$356,266
Net Income—$5.01 per share	—	—	50,224	—	50,224
Stock options exercised	6	123	—	—	129
Awards under Temple stock bonus plan	—	112	—	—	112
Treasury stock acquired	—	—	—	(15,822)	(15,822)
Dividends paid—$2.00 per share	—	—	(20,001)	—	(20,001)
Balance at December 31, 1974	10,387	48,470	327,873	(15,822)	370,908
Net Income—$4.52 per share	—	—	45,051	—	45,051
Stock options exercised	5	272	—	1,287	1,564
Dividends paid—$2.00 per share	—	—	(19,950)	—	(19,950)
Balance at December 31, 1975	$10,392	$48,742	$352,974	($14,535)	$397,573

The accompanying notes are an integral part of this financial statement.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Time Incorporated and Subsidiaries
For years ended December 31

	1975	1974
Sources of Working Capital		
From operations:		
Net income	**$ 45,051,000**	$ 50,224,000
Charges (credits) not affecting working capital:		
Depreciation, amortization, depletion	**25,543,000**	22,480,000
Deferred federal income taxes	**3,949,000**	2,403,000
Provision for losses on investments	**1,444,000**	1,968,000
Share of (income) losses in 20%-50% owned companies	**(996,000)**	1,202,000
Net income from unconsolidated subsidiaries	**(780,000)**	(150,000)
Total from Operations	**74,211,000**	78,127,000
Increase in long-term debt	**20,414,000**	50,222,000
Dispositions of property and equipment	**4,680,000**	6,207,000
Increase in other liabilities	**4,587,000**	1,156,000
Dispositions of investments	**18,036,000**	14,212,000
Decrease in notes receivable	**3,300,000**	6,450,000
Increase in unearned portion of paid subscriptions	**8,408,000**	6,511,000
Issuance of common stock and treasury shares sold	**1,564,000**	129,000
Dispositions of goodwill	**4,770,000**	—
Miscellaneous	**725,000**	355,000
Total sources	**140,695,000**	163,369,000
Applications of Working Capital		
Dividends paid to shareholders	**19,950,000**	20,001,000
Purchase of shares for treasury	**—**	15,822,000
Purchase of property and equipment	**60,738,000**	51,730,000
Additions to investments	**18,406,000**	6,270,000
Decrease in deferred taxes	**4,216,000**	—
Increase in other assets	**—**	4,016,000
Repayment of long-term debt	**27,164,000**	35,504,000
Reclassification of marketable equity securities	**25,704,000**	—
Total applications	**156,178,000**	133,343,000
Increase (Decrease) in Working Capital	**($ 15,483,000)**	$ 30,026,000

Details of increases and decreases in components of working capital are in the accompanying notes, page 29.
The accompanying notes are an integral part of this financial statement.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies

The consolidated financial statements include the accounts of the Company and its significant majority-owned subsidiaries (with the exception of Lumbermen's Investment Corporation, which has not been consolidated because its mortgage banking and real estate investment operations are dissimilar to the other operations of the Company). Unconsolidated subsidiaries and companies 20 per cent to 50 per cent owned are reflected in the financial statements on the equity basis and the Company's equity in their income or loss before income taxes and net income or loss, respectively, is included in Other Income—Net.

INVENTORIES. Cost of inventories amounting to $5,535,000 in 1975 and $7,778,000 in 1974, was determined by the last-in, first-out method. The cost of the remaining inventories of $93,466,000 in 1975 and $94,233,000 in 1974 was determined principally by the first-in, first-out method. All inventories are carried at either cost or market, whichever is lower.

CHANGE IN ACCOUNTING STANDARDS—MARKETABLE EQUITY SECURITIES. In December 1975, the Financial Accounting Standards Board adopted its Statement No. 12, applicable without retroactive effect to financial statements for annual and interim periods ending on or after December 31, 1975, which requires that marketable equity securities be stated in the balance sheet at the lower of cost or market. Market value changes for such securities classified as current assets must be included in the determination of net income, but changes for securities classified as noncurrent assets must be recorded directly in the shareholders' equity section of the balance sheet.

As permitted by the statement, the Company has reclassified the preferred and common stocks previously carried as current assets to investments (noncurrent) as of December 31, 1975. Such reclassification has resulted in a reduction of current assets, and a corresponding increase in investments, of approximately $25,700,000 at December 31, 1975. Because the aggregate market value of the Company's investment in marketable equity securities was not materially less than cost at December 31, 1975, no charge to shareholders' equity was required at that date.

At December 31, 1974, preferred and common stocks were classified as current assets and carried at cost. The aggregate market value of these securities at that date was approximately $22,400,000.

At December 31, 1975, gross unrealized gains and losses pertaining to marketable equity securities were approximately $5,010,000 and $5,313,000, respectively.

A net realized gain of $1,287,000 in 1975 and a net realized loss of $375,000 in 1974 on the sale of marketable equity securities are included in Other Income—Net. The cost of the securities sold was based on specific identification of the securities sold.

DEPRECIATION AND DEPLETION. Depreciation of property and equipment is computed by the straight-line method over the estimated useful lives of the assets. Charges for timber depletion are based on the unit cost of timber harvested during the year.

UNEARNED PORTION OF PAID SUBSCRIPTIONS. Sales of magazine subscriptions are credited to Unearned Portion of Paid Subscriptions at the gross subscription price at the time of sale. Accounts receivable resulting from charge sales have been deducted from Unearned Portion of Paid Subscriptions. As magazines are delivered to subscribers, proportionate shares of the gross subscription price are credited to revenues. All costs in connection with the procurement of subscriptions are expensed within the year incurred.

PROMOTION. Promotion costs related to sales of book and record series are amortized over a 12-month period. All other promotion costs are expensed within the year incurred.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

GOODWILL. Excess of Purchase Prices over Net Tangible Assets of Acquired Properties is not being amortized in the financial statements (except for $3,814,000, net of amortization of $682,000, that is being amortized over 20 years) because these businesses were acquired prior to 1970 and, in the opinion of management, there has been no decrease in their value.

FOREIGN OPERATIONS. The results of foreign operations included in the consolidated financial statements have been translated into U.S. dollars at rates prevailing during the year for revenues, costs and expenses (except depreciation), and at year-end rates for assets and liabilities (except property and equipment and related depreciation for which historical rates have been used). Net exchange gains and losses were not material. The requirements of the Financial Accounting Standards Board's Statement No. 8 on translation of foreign currencies will not result in material restatements of the consolidated statements of income or shareholders' equity.

Included in the consolidated financial statements are the following data for foreign operations:

	Year Ended December 31	
	1975	1974
	(in thousands of dollars)	
Revenues	$119,216	$94,369
Net Income	6,664	7,037
Assets	84,250	75,191
Liabilities	27,885	24,992

Dispositions

On January 14, 1976, the Company sold substantially all the business and assets of its subsidiary, Printing Developments, Inc., except for the color scanning services, to Wheelabrator-Frye Inc. in exchange for securities and cash, valued at $12,300,000, approximately equal to the book value of the assets sold. This sale has been accounted for as a 1975 transaction. As a result, the Wheelabrator-Frye securities have been included in Other Investments on the balance sheet at December 31, 1975.

Investments in Unconsolidated Subsidiaries and Companies 20 Per Cent to 50 Per Cent Owned

The Company's investments in the capital stock of these companies, accounted for on the equity basis, exceeded its equity in their related net assets by ap-

Increases (Decreases) in Components of Working Capital

For years ended December 31	**1975**	1974
Cash and marketable securities	**($ 3,965,000)**	($26,631,000)
Reclassification of marketable equity securities	**(25,704,000)**	—
Receivables	**6,167,000**	20,693,000
Notes receivable	**(10,484,000)**	8,909,000
Inventories	**(3,010,000)**	30,307,000
Prepaid expenses and other current assets	**3,388,000**	10,883,000
Increase (Decrease) in Current Assets	**(33,608,000)**	44,161,000
Accounts payable and accrued expenses	**6,684,000**	3,964,000
Employee compensation and profit-sharing contributions	**344,000**	728,000
Taxes on income	**(10,621,000)**	(2,923,000)
Loans and current portion of long-term debt	**(14,532,000)**	12,366,000
Increase (Decrease) in Current Liabilities	**(18,125,000)**	14,135,000
Increase (Decrease) in Working Capital	**($15,483,000)**	$30,026,000

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

proximately $1,700,000 and $3,000,000, respectively, at December 31, 1975 and 1974. This excess is not being amortized.

The principal investment is Lumbermen's Investment Corporation (99 per cent owned). At December 31, 1975, the total assets of Lumbermen's were $41,420,000 and total liabilities were $34,786,000. Revenues for the years 1975 and 1974 were $10,321,000 and $8,934,000, respectively, and its income before taxes of $1,719,000 in 1975 and $1,030,000 in 1974 was included in Other Income—Net.

Leases

Total rental expense, including contingent rentals that were not material, reduced by sublease rental income of $2,705,000 and $2,847,000 for the years ended December 31, 1975 and 1974, amounted to:

	1975	1974
	(in thousands of dollars)	
Financing leases	$ 2,038	$ 5,179
Other leases	11,799	6,535
	$13,837	$11,714

In 1975 the Company's investment in Rock-Time, Inc., owner of the Time & Life Building in New York, was reduced by a return of capital arising from a refinancing arrangement. As a result, the Company's lease obligation to Rock-Time, which expires in 1980 but has a 21-year renewal option, no longer meets the criteria for classification as a financing lease. Rental expense for 1975 reflects this change.

The future minimum rental commitments for all noncancelable leases, reduced by an aggregate of $9,963,000 for rentals to be received from existing noncancelable subleases at December 31, 1975, are as follows:

	Total	Financing Leases—Machinery & Equipment	Other Leases—Office Space
		(in thousands of dollars)	
1976	$12,575	$1,615	$10,960
1977	11,103	1,304	9,799
1978	10,261	721	9,540
1979	7,836	474	7,362
1980	7,393	381	7,012
1981-1985	3,608	133	3,475
	$52,776	$4,628	$48,148

The impact on net income for the years 1975 and 1974, if all financing leases had been capitalized, does not exceed 3 per cent of the average net income for the most recent three years.

At December 31, 1975, the present value of minimum lease commitments was not material.

Long-Term Debt

In January 1976 the Company issued $50,000,000 of 7⅞ per cent Notes, due January 15, 1986, which are not redeemable prior to January 15, 1983. Part of the proceeds from these Notes has been used to reduce borrowings under bank credit facilities aggregating $17,950,000, including $14,200,000 that otherwise would have been classified as current portion of long-term debt. Approximately $15,000,000 will be used to finance the completion of the expansion program for the paper mill in Evadale, Texas, and the remainder will be added to working capital. After issuance of the Notes, the Company canceled two revolving credit agreements totaling $65,000,000 that it had with a group of banks, with no balance outstanding at December 31, 1975.

The term loan due in installments to 1980 bears interest at prime rate plus ¼ of 1 per cent but has a maximum average interest rate of 7⅞ per cent, provided the loan is not prepaid prior to December 31, 1978. Interest paid in excess of 7⅞ per cent ($1,591,000 and $1,429,000 at December 31, 1975 and 1974, respectively) is included in Other Assets.

Under the most restrictive provision of credit agreements covering these loans, the Company is required to maintain minimum consolidated net current assets (as defined in the agreements) and observe limits on the payment of dividends. At December 31, 1975, consolidated net current assets were approximately $118,000,000 in excess of these requirements, and approximately $114,000,000 of consolidated retained income was unrestricted as to payment of dividends.

In connection with its long-term debt aggregating $46,006,000 at December 31, 1975, Temple-Eastex Incorporated has agreed to observe restrictions with respect to payment of dividends, maintenance of working capital, prepayment of debt, incurrence of additional debt, etc. In addition, of the total net assets of Temple-Eastex at December 31, 1975, ap-

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

proximately $103,000,000 (including $10,000,000 of net current assets) is unrestricted by the loan agreement and thus available for distribution to the Company.

Aggregate maturities of long-term debt, including sinking fund requirements of the first-mortgage bonds and excluding the debt retired in January 1976 with the proceeds of the $50,000,000 of 7⅞ per cent Notes described above, during the next five years are as follows: 1976—$6,500,000; 1977—$12,900,000; 1978—$12,800,000; 1979—$12,200,000; 1980—$20,200,000.

Stock Options

The following summary shows the changes during 1975 and 1974 in qualified and nonqualified options granted to key employees to purchase shares of the Company's common stock.

SHARES UNDER OPTION

	Number of Shares		Price Range per Share
	1975	1974	
Balance at January 1	462,314	383,977	$21.14-$52.57
Options granted	—	288,000	$38.69
	462,314	671,977	
Options exercised	(37,132)	(6,048)	$21.14-$52.57
Options terminated	(4,800)	(203,615)	$21.14-$51.26
Balance at December 31	420,382	462,314	$21.14-$52.57

There were 214,100 shares and 212,000 shares available for the granting of options at December 31, 1975 and 1974, respectively.

Options granted are exercisable at various dates, but no later than five years from date of grant in the case of qualified options and no later than 10 years from date of grant in the case of non-qualified options. Options for 304,692 shares and 195,282 shares

Long-Term Debt (Excluding Current Portion)

	December 31, 1975	December 31, 1974
	(in thousands of dollars)	
Current portion of long-term debt paid with proceeds of long-term notes issued in January 1976	**$ 14,200***	$ —
Term loan at 7⅞ % due 1977-1980	**36,000**	43,000
5⅜ % sinking fund first mortgage bonds due 1985	**29,700**	33,000
6½ % mortgage notes due 1977-1990	**19,640**	20,488
Notes at prime interest rate plus ¼ of 1% and ½ of 1%, under a term loan	**3,750***	8,750
5¼ % notes due 1976	**—**	6,000
Lease obligations due 1977-1991	**4,480**	4,670
4%-10% notes, some secured by property, timberlands and real estate, due 1977-1998	**10,406**	9,018
	$118,176	$124,926

*Paid in January 1976 from proceeds of $50 million Notes due in 1986.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

were exercisable at December 31, 1975 and 1974, respectively.

The option prices, which are not less than 100 per cent of fair market value on the dates of grant, are payable in full at the time the options are exercised. There were no charges or credits to income in connection with options exercised.

Taxes on Income

Federal, foreign and state and local taxes on income consisted of the following:

	1975		1974	
	Current	Deferred	Current	Deferred
Federal	$21,170,000	$1,060,000	$29,737,000	$1,709,000
Foreign	6,355,000	(1,004,000)	6,051,000	—
State & Local	3,319,000	—	1,803,000	—
	$30,844,000	$ 56,000	$37,591,000	$1,709,000

The differences between the consolidated effective income tax rate of 40.7 per cent in 1975 and 43.9 per cent in 1974 and the federal statutory income tax rate of 48 per cent include the following:

	1975	1974
48% of income before taxes	$36,457,000	$42,972,000
Less: Tax benefit of capital gains, resulting mainly from the harvesting and sale of fee-owned timber	(3,143,000)	(3,064,000)
Investment tax credits	(1,867,000)	(2,090,000)
All other	(547,000)	1,482,000
	$30,900,000	$39,300,000

The Company plans to continue to finance its operations in foreign countries by retention in such countries of a substantial portion of undistributed earnings of its foreign subsidiaries. The amount of unremitted earnings considered permanently reinvested for such purpose at December 31, 1975, was approximately $22,000,000 after reduction for available foreign tax credits.

Deferred income taxes have been provided because of the following timing differences:

	1975	1974
Accelerated depreciation	$2,582,000	$2,002,000
Amortization of promotion costs	(1,664,000)	2,306,000
All other	(862,000)	(2,599,000)
	$ 56,000	$1,709,000

Investment tax credits have been accounted for primarily as reductions in current income tax expense.

Other Income—Net

Other Income—Net in 1975 and 1974 consisted of: dividends of $2,814,000 and $1,802,000; interest income of $4,048,000 and $7,325,000; interest expense of $10,300,000 and $10,746,000; equity in income before taxes of unconsolidated subsidiaries of $1,779,000 and $637,000; share of net income (losses) of companies 20 per cent to 50 per cent owned of $996,000 and ($1,202,000); gains on the sale of land of $872,000 and $3,181,000; royalties and ancillary sales of $1,541,000 and $1,292,000; reserves for investments of $1,823,000 in 1975; numerous miscellaneous items aggregating an expense of $38,000 in 1975 and income of $2,184,000 in 1974; and the transactions described below.

In 1975 the Company sold approximately 60 per cent of its investment in Metro-Goldwyn-Mayer, Inc., for a gain of $1,867,000.

During 1974 the Company established a reserve to reflect the possible adjustment to market value of the American Television and Communications Corporation stock received and to be received in final settlement of its 1973 sale of 11 cable television systems. This resulted in an unusual charge to income before income taxes of $1,968,000. A final evaluation of this American Television and Communications Corporation stock was made in August of 1975 and resulted in a favorable adjustment to income of $378,000.

In September 1974, the Company sold its 50 per cent interest in General Learning Corporation. This sale resulted in an unusual charge to income before income taxes of $1,258,000.

Retirement Plans

The Company and its subsidiaries have retirement plans covering substantially all employees, including those in foreign countries. Retirement plan expense was approximately $6,900,000 in both 1975 and 1974, which includes amortization of past service cost over periods of approximately 10 years. The Company's policy is to fund pension costs accrued. The Employee Retirement Income Security Act of 1974 will have no significant financial effect on the Company.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

Commitments and Contingent Liabilities

At December 31, 1975, the Company had commitments and contingent liabilities in connection with its investments, purchases and sales of property and equipment, as well as long-term paper and printing contracts.

There were pending against the Company and its subsidiaries lawsuits and claims arising in the regular course of business. In addition, a class action is pending against the Company in the United States District Court for the Southern District of New York that alleges various violations of the federal securities laws by the Company in connection with its acquisition of the minority interest in Sterling Communications, Inc. A derivative action brought in the name of Sterling Communications, Inc., by certain of its shareholders, pending in the Supreme Court of the State of New York, alleges deliberate mismanagement of Sterling Communications, Inc., by various officers and directors of the Company. Temple-Eastex and most U.S. plywood producers are defendants in a series of antitrust class actions that allege conspiracies to fix and stabilize plywood and lumber prices. The actions, which seek treble damages, permanent injunctions and other relief, have been consolidated for pretrial and are in the initial discovery stages.

In the opinion of management, recoveries, if any, by plaintiffs or claimants that may result from the foregoing litigation and claims will not be material in relation to the consolidated financial position of the Company and its subsidiaries.

Accountants' Report

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF TIME INCORPORATED

We have examined the consolidated balance sheets of Time Incorporated and subsidiaries as of December 31, 1975, and December 31, 1974, and the related consolidated statements of income, shareholders' equity and changes in financial position for the years then ended. Our examinations were 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 financial statements referred to above present fairly the consolidated financial position of Time Incorporated and subsidiaries at December 31, 1975, and December 31, 1974, and the consolidated results of their operations and changes in their financial position for the years then ended, in conformity with generally accepted accounting principles, which, except for the change, with which we concur, in the method of accounting for marketable equity securities as discussed in the notes to financial statements, have been applied on a consistent basis.

Ernst & Ernst

New York, New York
February 19, 1976

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

BOARD OF DIRECTORS

Date in parentheses indicates year of election to the Board.

Andrew Heiskell (1959)
Chairman of the Board and Chief Executive Officer, Time Inc.

James R. Shepley (1969)
President and Chief Operating Officer; Chairman, Executive Committee, Time Inc.

Hedley Donovan (1962)
Editor-in-Chief of all publications, Time Inc.

Roy E. Larsen (1933)
Vice Chairman of the Board, Time Inc.

Louis Banks (1973)
Visiting Professor, Harvard Graduate School of Business Administration

Gaylord Freeman (1962)
Honorary Chairman of the Board, The First National Bank of Chicago

Alexander Heard (1968)
Chancellor, Vanderbilt University

Matina S. Horner (1975)
President, Radcliffe College

Robert T. Keeler (1975)
Partner, Taft, Stettinius & Hollister

Arthur W. Keylor (1972)
Group Vice President, Time Inc.

James A. Linen (1959)
Member of the Board of Directors, Time Inc.



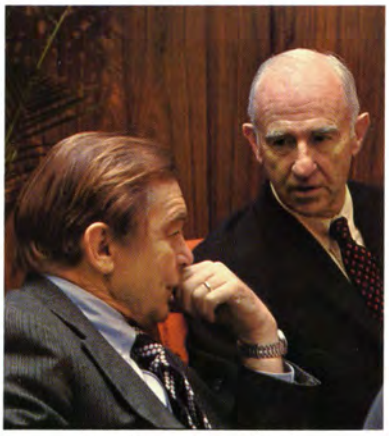
McKeough Heiskell



Horner Watson



Donovan Larsen



Banks Pace



Freeman

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

Sol M. Linowitz (1969)
Senior Partner, Coudert Brothers,
Chairman, Audit Committee, Time Inc.

Henry Luce III (1967)
Vice President, Time Inc.

Richard B. McKeough (1973)
Vice President-Finance;
Chairman, Finance Committee, Time Inc.

Frank Pace Jr. (1960)
President and Chief Executive Officer
International Executive Service Corps; Chairman,
Compensation Committee, Time Inc.

Arthur Temple (1973)
Chairman, President and Chief Executive
Officer, Temple-Eastex Inc.; Chairman,
Planning and Policy Committee, Time Inc.

Rawleigh Warner Jr. (1967)
Chairman of the Board and Chief Executive
Officer, Mobil Oil Corporation

Thomas J. Watson Jr. (1958-1965. Reelected 1974)
Chairman of the Executive Committee of the
Board of Directors, International
Business Machines Corporation

Advisory Directors:
Artemus L. Gates
Samuel W. Meek
Maurice T. Moore
Rudolph A. Peterson
W. Temple Webber



Luce



Linen Warner



Temple Shepley



Keeler Keylor



Linowitz Pace Heard

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

OFFICERS AND OPERATING EXECUTIVES

Officers

Andrew Heiskell
Chairman of the Board
& Chief Executive Officer
Roy E. Larsen
Vice Chairman of the Board
James R. Shepley
President & Chief Operating Officer
Charles B. Bear
Group Vice President & Secretary
Arthur W. Keylor, Group Vice President
Joan D. Manley, Group Vice President
J. Richard Munro, Group Vice President
Arthur Temple, Group Vice President
Richard B. McKeough
Vice President-Finance
Donald M. Wilson
Vice President-Corporate and Public Affairs
Ralph P. Davidson, Vice President
Robert P. Fisler, Vice President
Charles L. Gleason Jr., Vice President
Clifford J. Grum, Vice President
Peter S. Hopkins, Vice President
Gerald M. Levin, Vice President
Henry Luce III, Vice President
John A. Meyers, Vice President
N. J. Nicholas Jr., Vice President
Bruce L. Paisner, Vice President
E. Gabriel Perle, Vice President
Herbert D. Schutz, Vice President
Ira R. Slagter, Vice President
Robert M. Steed, Vice President
Kelso F. Sutton, Vice President
Arthur H. Thornhill Jr., Vice President
J. Garry Valk, Vice President
John A. Watters, Vice President
Barry Zorthian, Vice President
P. Peter Sheppe, Assistant Secretary
Edward Patrick Lenahan, Treasurer
William E. Bishop
Comptroller & Assistant Secretary
Olga Curcio, Assistant Treasurer
J. Winston Fowlkes
Assistant Treasurer
Kevin L. Dolan, Assistant Comptroller
Eugene F. Farro, Assistant Comptroller

Corporate Editorial Executive

Hedley Donovan, Editor-in-Chief

Magazine Executives

Arthur W. Keylor, Group Vice President

Ralph P. Davidson, Publisher, Time
Henry Anatole Grunwald
Managing Editor, Time
Clifford J. Grum, Publisher, Fortune
Robert Lubar, Managing Editor, Fortune
John A. Meyers
Publisher, Sports Illustrated
Roy A. Terrell Jr.
Managing Editor, Sports Illustrated
Harry Steinbreder Jr.
Publisher, Money
William S. Rukeyser
Managing Editor, Money
Richard J. Durrell, Publisher, People
Richard B. Stolley
Managing Editor, People
J. Garry Valk
Publisher, Magazine Development Group
Philip B. Kunhardt Jr.
Editor, Magazine Development Group
James J. McCluskey
Director of Manufacturing and Distribution
Ira R. Slagter
Director of Subscription Service
Kelso F. Sutton, Director of Circulation

Book Executives

Joan D. Manley, Group Vice President
& Publisher, Time-Life Books

Jerry Korn
Managing Editor, Time-Life Books
Zachary P. Morfogen
Managing Director,
Books and Arts Associates
Herbert D. Schutz
President, New York Graphic Society Ltd.
Arthur H. Thornhill Jr.
Chairman & President,
Little, Brown and Company (Inc.)

Television and Film Executives

J. Richard Munro, Group Vice President

Gerald M. Levin
President, Home Box Office, Inc.
N. J. Nicholas Jr.
President, Manhattan Cable Television, Inc.
Bruce L. Paisner
President, Time-Life Films, Inc.
Willard Schroeder
President, WOTV

Executives of Other Activities

Charles B. Bear, Group Vice President

Robert J. Edmondson
President, Printing Developments, Inc.
George W. Hoyt
President, Pioneer Press Inc.
Peter S. Hopkins
Vice President, Real Estate
John A. Watters
President, Selling Areas-Marketing, Inc.

Forest Products Executives

Arthur Temple
Chairman, President & Chief Executive
Officer, Temple-Eastex Incorporated

Joe C. Denman Jr.
Executive Vice President,
Building Materials
(President, Temple Division)
Felix M. Hammack
Executive Vice President,
Paper Products (President, Eastex Division)
David H. Dolben
Vice President, Finance
Kenneth Nelson
Vice President, Land and Timber
William D. Binder
President, Woodward, Inc.
Gex P. Condit
President, Eastex Packaging, Incorporated
W. Ray Frye
President & Chairman,
AFCO Industries, Inc.
Wayne W. McDonald
President,
Lumbermen's Investment Corporation

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023

ANNUAL MEETING
Thursday, April 15, 1976, 11 a.m.
Time & Life Building
Rockefeller Center, New York, N.Y.

CORPORATE HEADQUARTERS
Time & Life Building
Rockefeller Center
New York, N.Y. 10020
Phone: 212-JU 6-1212

TRANSFER AGENT
The Chase Manhattan Bank, N.A.
One New York Plaza
New York, N.Y. 10015

REGISTRAR
Chemical Bank
20 Pine Street
New York, N.Y. 10015

CO-TRANSFER AGENT AND REGISTRAR
Republic National Bank of Dallas
P.O. Box 2964
Dallas, Texas 75221

COMMON STOCK—PRICE RANGE
(New York Stock Exchange—Symbol: TL)

		Low	High
1974:	First quarter	30¾	40¼
	Second quarter	35½	41½
	Third quarter	30	38½
	Fourth quarter	24½	33½
		Low	High
1975:	First quarter	24¾	36¼
	Second quarter	34¼	55⅜
	Third quarter	51½	61
	Fourth quarter	53½	63

DIVIDENDS
1974 and 1975

Each quarter	50¢
Total for year	$2.00

Questions and communications regarding lost stock certificates, changes of address, dividend checks, consolidation of accounts and transfer of certificates should be sent to: The Chase Manhattan Bank, N.A., Transfer Agent, 13th Floor, 1 New York Plaza, New York, N. Y. 10015.

Copies of SEC Form 10K will be available to stockholders after April 30, on written request to P. Peter Sheppe, Assistant Secretary, Time Inc., Time & Life Building, Rockefeller Center, New York, N.Y. 10020.

copied from an original at The History Center, Diboll, Texas. www.TheHistoryCenterOnline.com 2013:023