

# I.T.T. Reports New Highs In Sales and Profit for '71

Business/Finance Section — MAR 9 1972

NYTimes

By GENE SMITH

The International Telephone and Telegraph Corporation reported yesterday its 12th consecutive year of new highs in sales and earnings. The record earnings in 1971 excluded an extraordinary nonrecurring charge of \$70-million, or 60 cents a share, applicable to Chilean operations.

Harold S. Geneen, chairman and president, placed worldwide sales and revenues at the new high of \$7,345,781,000, or 13 per cent higher than the \$6,479,231,000 reported in 1970. Net income, excluding the Chilean charge, rose by 12 per cent to \$406,834,000 or \$3.45 a share, from \$362,541,000, or \$3.14 a share, in 1970. Figures for 1970 were restated to include companies through poolings of interest.

The company did not release fourth-quarter figures. But the indicated results for the period —based on previously reported third quarter results subtracted from the full year—showed sales of \$2.24-billion, or 17.7 per cent higher than the \$1.90-billion of a year earlier. Net income rose by 11.4 per cent to \$125.5-million, or \$1.06 a share, from \$112.7-million, or 98 cents a share, in the like period of 1970.

In his letter to stockholders, Mr. Geneen discussed terms of the consent decrees reached with the Justice Department. He noted that the divestment of the Canteen Corporation, the fire protection division of the Grinnell Corporation, Avis Rent-A-Car, ITT Levitt and two small insurance companies would generate "substantial funds."

The reinvestment of these funds, together with "steadily increasing earnings," would provide support for the company to continue its strong rate of growth, he added.

He reported further that on

Continued on Page 64, Column 5

THURSDAY, MARCH 9, 1972

## I.T.T.'S EARNINGS A RECORD IN 1971

Continued From Page 57

on a worldwide basis the company had increased its manpower in 1971 by 2 per cent, while sales, revenues, insurance premiums and finance income had risen

by 14 per cent.

The I.T.T. chief executive placed the yearend manufacturing backlog at a new high of \$2.8-billion against \$2.3-billion restated a year earlier. He noted that capital expenditures had totaled \$654-million, marking the third consecutive year in which outlays exceeded \$500-million.

Sales and revenues figures did not include Chilean operations nor premiums and reve-

nues of the insurance and finance subsidiaries, which would amount to \$1.5-billion for the year, or an increase of 15 per cent over 1970.

The report showed that the Hartford Fire Insurance Company's equity in earnings after taxes had risen to \$105,385,000 from \$87,772,000 in 1970. The divestible operations contributed \$936,566,000 to sales and revenues in 1971 against \$855,953,000 a year ago.