GWSC Reports Earnings of First Month, Fiscal Year

Robert G. Everett, president and chief executive officer of Great Western United Corporation (GWU), announced July 30 that earnings after provision for preferred dividends for the first month of fiscal 1975 were $1.38 per share compared with a per share loss of $.01 for the first month of fiscal 1974.

Everett noted that traditionally GWU does not report monthly results, but is doing so because its stockholders will be asked to consider approving the sale of the corporation's subsidiary, the Great Western Sugar Company, on September 25, 1974 as part of a previously announced plan of recapitalization. The sugar company again made the greatest contribution to June's increased profits as a result of continuing record sugar prices. Earlier this month GWU reported earnings of $1.95 per share for the twelve months ended May 31, 1974.

Great Western Sugar reported net sales and operating revenue for June, the first month of fiscal 1975, of $27,594,000, an increase from $21,972,000 for the first month of the prior fiscal year. Operating profit for the first month of fiscal 1975 was $6,723,000 compared with $1,201,000 for the first month of fiscal 1974.

Great Western Cities, the corporation's land sales and community development subsidiary, reported net sales and operating revenue of $1,425,000 for the first month of fiscal 1975 compared with $1,711,000 for the first month of fiscal 1974. Operating profit for the first month of fiscal 1975 was $450,000 compared with $283,000 for the same period in 1974.

Shakey's Incorporated, GWU's pizza parlor subsidiary, reported net sales and operating revenue for the first month of fiscal 1975 of $1,211,000 as compared with $1,282,000 for the same period of the prior year. Operating profit for the current month was $283,000 compared with $255,000 for last year.

Holly reports sales increase

COLORADO SPRINGS — Holly Sugar Corporation today reported sales of $60,380,000 for the first quarter ended June 30 compared with $52,219,000 for the same period last year.

In an interim report to stockholders, President John B. Bunker said that “the unit volume of sugar sold during the quarter increased approximately 8 percent from last year. Substantial increases in the selling price of sugar were the principal factor contributing to higher sales.”

“Although Holly's sugarbeet growers receive the major benefit of increased sugar prices under the risk-sharing provisions of Holly's sugarbeet purchase contracts,” Bunker commented, “a continuation of refined sugar prices at present levels during the fiscal year would also benefit Holly and could result in a significant increase in net income over last year.”

Holly does not report interim earnings until the end of its third quarter, December 31, because of the material and unpredictable effects of seasonal and climatic conditions of sugarbeet production and processing.

“These variables are reflected in current operations because Holly uses the last-in, first-out (LIFO) method of sugar inventory valuation, and it is not possible to estimate any such increase or to assess interim earnings accurately until the end of the third quarter,” Bunker explained.

“It is not until the end of December that major cost factors become reasonably determinable and an unaudited nine months' earnings report can be prepared,” he said.

Bunker told stockholders that, since April 1, sugarbeet plantings for the 1974 fall harvest have been completed and are progressing well.

“Harvest this spring in Northern California proceeded according to schedule, and in Southern California the crop has shown excellent yields in tons-per-acre and sugar content,” Bunker reported.

He also told stockholders that, on June 5, 1974, the House of Representatives defeated a bill which would have extended the Sugar Act for another five years. “Unless some sort of supply management program is adopted by the Congress before year-end, the program under the present Act will expire December 31, 1974,” Bunker explained.