1997

VOL. 1

COVERING NEW YORK

& AMERICAN

STOCK EXCHANGES

A-I

# MOODY'S

# INDUSTRIAL MANUAL

DANNY A. ZOTTOLI, JR., Publisher
HOWARD G. KIEDAISCH, Managing Director
CAROL SURDOVAL, Director—Global Fundamental Data

JOHN IERACI, Director-Print Products

Editorial Staff

WAYNE ARNOLD MARYROSE CAROSIA BRIAN COX SAMANTHA HASTINGS JUNE HOANG JUDY PHAM FELICIA ROBINSON CHARLOT VOLNY JOANNE WALLACE THOMAS M. WECERA

## Moody's Investors. Service



SEE FOLLOWING PAGE FOR COMPLETE LIST OF OFFICES

Copyright © 1997 by MOODY'S INVESTORS SERVICE, INC. New York All rights reserved.





delaying, deterring or preventing a change in control of

#### DUCOMMUNINC.

History: Incorporated in Del. Apr. 10, 1970 as successor to company originally incorporated in California Sept. 30, 1907 as Ducommun Hardware Co. Present name adopted in 1962. Business established in 1849.

For acquisitions prior to 1968, see Moody's 1969 Industrial Manual.

In Dec. 1968, acquired Arnold Rebar Bender Inc. (name changed to Digital Machines, Intl. in 1969) (sold assets in 1984).

In Oct. 1978, sold assets of SuperTemp Co.
In June 1979, acquired Air Distributors, Inc.
In Mar. 1981, acquired Airdrome Parts, Inc. for eash and notes totaling \$9,504,000.

In July, 1981 acquired Aerochem, Inc. into Co. in a transaction involving the issuance of 389,500 shs. of Co.

In Oct. 1981, sold Ducommun Metals Co., a distributor of metals

On Dec. 9, 1983, sequired Aircraft Hydro-Forming Inc. for \$20,000,000.

On Jan. 10, 1984, acquired Jay-El Products Inc. In Oct. 1984 acquired MTI Systems Corp. for

\$7,869,000 In Jan. 1986, Co. acquired Tri-Tec Engineering Corp.

for \$2,733,000 in cash. In Jan. 1987, Co. sold Airdrome Parts Co. for \$12,300,000 in cash.

In Feb. 1987, Co. sold Metermaster for \$9,760,000 in cash

In Dec. 1987, Co. sold its electronics distribution business to Arrow Electronics, Inc. This business segment consisted of Kierulff Electronics, Ducommun Data ment consisted of Kierulff Electronics, Ducommun Data Systems and MTI Systems Corp. As consideration for the sale, the Company received from Arrow Electronics \$32,692,200 in the form of 4,600,000 of the Company's outstg. conv. subord, deb. 7 3/4s and \$74,297,800 in cash for a total of \$116,990,000.

In July 1989, sold Tri-Tec Engineering for \$2,211,000 in cash.

In Dec. 1994, Co. acquired the capital stock of Brice Manufacturing Co., Inc. for \$763,000 in cash and \$10,365,000 in notes and other contractual liabilities.

In Jan. 1995, Co. acquired substantially all of the

In Jan. 1995, Co. acquired substantialty all of the assets and assumed certain liabilities of Dynatech Microwave Technology Inc. (DMT).

In Jan. 1995, Co. acquired the capital stock of 3dbm, Inc. for \$4,780,000 in cash and \$1,000,000 in notes.

On July 1, 1996, Co. acquired, for a combination of cash and notes, substantially all of the assets and assumed certain liabilities of MechTronics of Arizona Inc. for \$8,000,000 in cash and a \$750,000 note

Business: Co., through its subsidiaries, manufactured Business: Co., through its subsidiaries, manufactured components and assemblies principally for domestic and foreign commercial and military aircraft and space programs. Domestic commercial aircraft programs include the Boeing 737, 747, 757, 767 and 777 and the McDonnell Douglas MD-11, MD-80/90 and MD-95. Foreign commercial aircraft programs include the Airbus Industrie A330 and A340, de Havilland Dash 8, and the Canadair Regional Jet. Major military aircraft programs include the McDonnell Douglas C-17, F-15 and F-18, Lockheed Martin F-16 and C-130, various Sikorsky, Bell and Boeing helicopter programs, and advanced Bell and Boeing helicopter programs, and advanced development programs. Co, is a subcontractor to Lock-heed Martin on the Space Shuttle external tank and a supplier of components for the Space Shuttle external tank and a supplier of components for the Space Station Freedom. Co. manufactures components for Atlas/Centaur, Delta and Titan expendable launch vehicles and various telecommunications satellites. Through its 3dbm, Inc. ("3dbm") subsidiary, Co. also sells products for the wireless telecommunica tions industry.

Property: Co. occupies approximately 14 facilities with a total area of over \$12,000 square feet, including both owned and leased properties. At Dec. 31, 1996, facilities which were in excess of 60,000 square feet each were occupied as follows:

Location	Square Feet	Status
El Mirage, California	74,300	Owned
Orange, California	76,200	Owned
Carson, California	65,000	Leased
Carson, California	108,000	Owned
Carson, California	117,000	Leased
Phoenix, Arizona	90,900	Leased

#### Subsidiaries

Aerochem, Inc. AHF-Ducommun Incorporated Brice Manufacturing Company, Inc. Jay-El Products, Inc. MechTronics of Arizona Corp 3dbm, Inc.

Officers

Norman A. Barkeley, Chmn.
Joseph C. Berenato, Pres., C.E.O.
James S. Heiser, V.P., Gen. Couns., Sec., Treas., C.F.O.
Kenneth R. Pearson, V.P., Human Res.
Samuel D. Williams, V.P., Contr., Asst. Treas.

Norman A. Barkeley

Directors Richard J. Pearson H., Frederick Christie Thomas P. Mullaney Kevin S. Moore

Arthur W. Schmutz Joseph C. Berenato

Auditors: Price Waterhouse L.L.P. Annual Meeting: In May. Tel.: - -

No. of Stockholders: Dec. 31, 1996, 749(approx.). No. of Employees: Dec. 31, 1996, 1170.

Address: 23301 South Wilmington Avenue, Carson 90745 Tel.: (310)513-7200. Fax.: (310)518-0176.

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED Dec. 31(\$000);

Net sales	118,357	91,217	61,738
Cost of goods			
sold	79,732	61,134	43,953
Selling, gen &			
admin exps	23,147	19,572	[2,14]
Total oper costs	50,117	1,7,0.0	,
& exps	102,879	80,706	56,094
Operating inc	104(0))	00,700	30,074
(loss)	15,478	10,511	5,644
Interest	1,153	3,570	2,467
Income (loss) bef	1,100	010ر	2,407
income (ross) ber	14,325	6.941	3.177
inc tax	14,323	0,941	3,177
Income tax exp	4.040	1.005	073
(benefit)	4,040	1,895	973
Net inc (loss)	10,285	5,046	2,204
Common shares (000):			
Weighted avg			
shares			
outstanding-			
primary	6,594	4,500	4,463
Weighted avg			
shares outstg-			
fully diluted	7,915	7,358	4,575
Year end shares			
outstg	7,301	4.852	4,464
Earnings (loss)	-		
per share; prim	\$1.45	\$1.04	\$.48
Earnings (loss)		*	
per share: fully			
diluted	\$1.33	\$.87	\$.48
Total no of	41.55	0.07	4.10
employees	<b>□1,170</b>	⊡808	
Number of com	101,110	⊞800	
stkhlders	□749	Make	
	ш/49	<b></b> 756	
Depreciation &			
amort		24,382	☑3,117
Reported as is. 2Str	aight line		

### CONSOLIDATED BALANCE SHEET, AS OF Dec.

3 I (Φ000):		
Assets:	1996	1995
Cash	571	371
Accounts receivable, net	1990 114,722 122,595 4,597 1,850	⊞t3.828
Inventories, net	D22 505	213,362
Deferred income taxes	4 503	5,090
Other current assets	1.050	1,151
Total current assets	44.335	33,802
Property & equipment,	44,55	55,004
net	27.051	23,011
Deferred income taxes	5,594	6.451
Excess cost over net	3,334	0,731
assets acq	☑18.326	<b>3</b> 16.697
Other assets	508	1.013
Total assets	95,814	80,974
Liabilities:	33,014	00.774
Current port of lg tm		
dah	1.117	3,910
debt	1,117	4,917
Accounts payable Accrued liabilities	8,343	13,728
Total current liabilities .	17,589	22,555
Long-term debt	17,589 27,049 9,173	8,935
Convertible subord	9,173	0,733
		24,263
debentures	404	633
Other lg tm liabil	24 626	56.386
Total liabilities	36,626	20,260 [4]
Common stock	回图73	
Additional paid-in cap	59,280	34,989
Retained earn	1.175	4-10-450
(accumulated deficit).	dr165	dr10,450
Total shhlders eq (deficit)	60 100	34 500
Total liabilities &	59,188	24,588
	05.014	00.074
stkhlders eq	95,814	80,974
Allowance for doubtful ac	counts: 1996 \$200	, ogu. Eleteo
DAccumulated amortization:	1996 \$3,548,000.	HPar value;
1996 \$.01. ☑ Authorized share:	s: 1996-12,500,000	•

Long Term Debt: Dec. 31, 1996, \$10,290,000 as follows

	thousands)
Bank credit agreement	\$ 4,000
Term and real estate loans	5,294
Promissory notes related to acquisitions	996
Total debt	10,290
Less current portion	1,117
Total long-term debt	\$ 9,173

option is also available to the Co. for terms of up to six months at the Eurodollar rate plus a spread based on the leverage ratio of the Co. calculated at the end of each

fiscal quarter (1.00% at December 31, 1996). At December 31, 1996, Co. has \$16,658,000 of unused lines of credit, after deducting \$4,000,000 of loans outstanding and \$342,000 for an outstanding standby letter of cred which supports the estimated post-closure maintenance cost for a former surface impoundment. The credi agreement includes fixed charge coverage and maxinum leverage ratios, and limitations on future dividend payments and outside indebtedness.

In 1996, Co. converted \$24,263,000 principal amoun

In 1996, Co. converted \$24,263,000 principal amoun of its 7.75% converted \$24,263,000 principal amoun of its 7.75% convertible subordinated debentures. The Co. paid cash of \$609,000 for the conversions 1. BONDS REDEEMED's Entire issue of Ducommun Inc. 7.75% conv subord debs due Mar. 31, 2011 was redeemed by Co. at 100 on June 28, 1996.

Capital Stock: 1. Ducommun Inc. common

Capital Stock: 1. Ducommun Inc. common AUTH - 12,500,000 Shs.

OUTSTG - Dec. 31, 1996, 7,301,428 Shs.; par \$ 0.01 VOTING RIGHTS - Has one vote per share with right of cumulative voting for directors.

DIVIDENDS PAID - 1946. \$0.34 1947-48 \$0.85 1949 \$0.93 1950 1.00 1951 1.10 1952 1.00 1953 0.80 1954-55 1.00 11956-59 1.25 1960 1.30 11961-73 1.00 11976-59 1.25 1960 1.30 11961-73 1.00 1974 1.15 1975 0.85 1976-78 0.40 1979 0.45 1980 0.65 11981-83 0.70 1984-85 0.80 1986 0.50 1987 0.20 1988 120.05 1989-96 Nil

1989-96

. Nil

	SHARES
Outstanding at January 1, 1994	703,300
Granted	35,000
Exercised	(5,000)
Forfeited	(21,225)
Outstanding at December 31, 1994	712,075
Granted	49,200
Exercised	(20.125)
Forfeited	(23,625)
Outstanding at December 31, 1995	717,525
Granted	181,000
Exercised	(43,200)
Forfeited	(3,000)
Outstanding at December 31, 1996	852,325

At December 31, 1996, 57,001 common shares were.

At December 31, 1996, 37,001 common shares were available for future grants and 852,325 common shares were reserved for the exercise of options. PREEMPTIVE RIGHTS - None. CONVERSION - On Feb. 5, 1996, Co. converted \$6,416,000 in principal amount of its 7-3/4% convertible subordinated debentures into 642,880 shares of com-

REGISTRAR & TRANSFER AGENT - First Inter-

state Bank, Los Angeles.
LISTED - On NYSE (Symbol: DCO)
SECONDARY EXCHANGES - Also listed on Pacific SE. PRICE RANGE -

1996 1995 24% 10% 9% 4<sup>1</sup>%6 1994 5% 2% APITAL HISTORY -Par changed from \$2.00 to \$0.01 in June 1990.

#### **DURACELL INTERNATIONAL INC.**

History: Incorporated in Delaware on Apr. 19, 1988. Co. is the ultimate successor of P.R. Mallory & Co. Inc. which was formed in 1935 through the consolidation of several companies. Mallory was acquired by Dart Industries Inc. in 1978 and disposed of its remaining non-buttery businesses. In 1979, Dart merged with Kraft, Inc. Kohlberg Kravis Roberts & Co., L.P. organized Co. as Duracell Holdings Corp. to effect the acquisition of Duracell's businesses from Kraft on June 24, 1988 for 51,861,100,000. Present named adopted Mar. 15, 1991. On April 15, 1996, Co. purchased Eveready South Africa for approx. \$135,000,000. History: Incorporated in Delaware on Apr. 19, 1988.

Proposed Merger: On Sept. 12, 1996 Co. announced that it has signed an agreement to merge with the Gillette Company. The merger is expected to be completed by the end of calender 1996. Under the terms of the merger agreement, each outstanding share of Co. common stock will be exchanged for .904 shares of Gillette common stock.

on Dec. 31, 1996, Gillette and Co. announced that their respective shareholders approved their merger.

Control: As of Sept. 13, 1996, KKR Associates owned approx. 33.52% of Co.'s outstg. com. stk.

Business: Co. manufactures and markets, primarily under the DURACELL<sup>TM</sup> brand, high performance under the DURACELI IM brand, high performance alkaline batteries, primary lithium batteries and other battery types. Duracell also markets rechargeable nickel metal hydride batteries and a lighting products line. Co.'s batteries are sold worldwide through consumer channels, to industrial users and to manufacturers of hattery conjugate decouples in the consumer channels. battery-powered consumer, industrial, medical and mili-

Property: Co. has 12 manufacturing sites around the world and occupies numerous warehouses and offices. The following table sets forth information with respect to Duracell's manufacturing sites:

Status



Lancaster, S.C.	Owned
LaGrange, Ga	Owned
Lexington, N.C.	Owned
Waterbury, Conn	Owned
Mississauga, Ontario, Canada	Leased
Aarschot, Belgium	Owned
Mexico City, Mexico	Owned
Port Elizabeth, South Africa	Owned
Wrexham, Wales	Leased
Co, leases its corporate headquarters	
Dada Care	

Joint Venture: In August 1992, the Company, Toshiba Battery Co., Ltd. and Varta Batterie A.G. signed a Technical Cooperation Agreement whereunder they agreed to engage in joint research and development of superior performing, cadmium-free nickel metal hydride rechargeable cells. These cells are used in powering high-power devices with rapidly growing markets, such as laptop computers, cellular phones and other consumer electronic devices. The Agreement has a five

In Mar. 1994, Co. and Mr. Saroj K. Poddar, Chairman of Poddar Enterprises formed a joint venture company to be called Duracell India Private Limited that will market DURACELL TM alkaline batteries in India. The company is 74% owned by Co., with a member of the Poddar Group owning a 26% interest.

Group owning a 26% interest.

In October 1994, affiliated companies of the Alliance members formed a joint venture for the purpose of manufacturing nickel metal hydride cells in the United States. Duracell's and Toshiba's affiliates each hold a forty percent interest in the joint venture and Varta's affiliate has a twenty percent stake. The joint venture samufacturing facility is currently under construction in Mebane, North Carolina. The cells made by the joint venture will be sold to the Alliance members and will supplement the parties' cell needs now being satisfied by production at Toshiba's existing nickel metal hydride plant in Japan. The duration of the joint venture is indefinite and Duracell's initial capital contribution is expected to be \$20 million, which will be paid into the joint venture over several years beginning in fiscal 1995. joint venture over several years beginning in fiscal 1995.

Subsidiaries Duracell Canada Inc. Duraname Corp. Duracell Danmark A/S Duracell Finland OY Duracell Batteries Limited Duracell (1993) Limited Duracell UK Pension Plan Trustees Limited Duracell SpA SpA Superpila Pile Superpila SRL Tudor Hellesens AB Duracell SARL Duracell France SNC NV Duracell Belgium SA NV Duracell Batteries Sa NV Duracell Benefux NV
NV PL Battery SA
Taiwan Branch
Hong Kong Branch
Duracell Batteries Sucursal en Espana (Branch) ARO Moscow (Branch) Duracell Inc. Duracell International Corporation PL Battery Inc. Duracell High Power Inc. Duracell GmbH Duracell Nederland BV Duracell-Hellesens Inc. Duracell Asia Limited Taiwan Branch Hong Kong Branch Korean Branch Duracell (SEA) Ptc. Limited Duracell Battery Japan Ltd. Duracell Mideast and Africa LLC Duracell New Zealand Limited Duracell Australia Pty. Limited
Duracell Caribbean, Inc.
Duracell SA de CV
Duracell do Brazil Industria E Comercio Ltda. Duracell Argentina SA Duracell Colombia Ltda Duracell ven CA
Daimon-Duracell (Pilhas) Limitada
Duracell Norge A/S
Duracell International GmbH
Duracel) Svenska AB Duracell Svenska AB
Duracell International Trading KFT
Duracell International Spol. s.r.o.
Duracell Poland S. P. Zoo
Duracell (China) Limited
Duracell Mauritius
Duracell India Private Limited Duracell Atlantic, Inc. Duracell Adanuc, inc.

Duracell South Africa (Branch)

Duracell Morocco (Branch)

Duracell Caribbean (Branch)

Duracell (Malaysia) SDN BHD

Duracell Thailand Ltd.

Duracell Yearns Limited Duracell Korea Limited Eveready South Africa (Proprietary) Limited

Officers
Charles R. Perrin, Chm.
Charles E. Kiernan, Pres., C.O.O.
J. N. Allen, Pres., New Products & Technology
Steven G. Staves, Pres., IDM Division
Christopher Ripert, V.P., Duracell Europe Division
David G. Bluestein, Pres., Duracell North America
Gregg A. Dwyer, Sr. V.P., General Counsel, Sec.
G. W. Lewis, Sr. V.P., C.F.O., Fin.
Nancy A. Reardon, Sr. V.P., Human Res.
Robert A. Burgholzer, Jr., V.P., Contr.
Barbara J. Johnson, V.P., Taxes
Walter B. Rogers, V.P., Investor Relations
Somerset R. Waters, V.P., Treas.

Directors

Henry R. Kravis George R. Roberts G., Wade Lewis Charles R. Perrin Paul E. Raether Scott M. Stuart Charles E. Kiernan Arno A. Penzias William S. Shanahan aulaStern ... Robert Kidder Earnest J. Edwards

Auditors: Deloitte & Touche LLP Annual Meeting: In October.

Shareholder Relations: Walter B. Rogers, V.P., vestor Relations Tel.: 203-796-4364.

No. of Stockholders: Aug. 24, 1996, 6176(approx.). No. of Employees: Jun. 30, 1996, 9600 (approx.). Address: Berkshire Corporate Park, Bethel CT 06801 Tel.: (203)796-4000.

CONSOLIDATED INCOME ACCOUNT, YEARS ENDED June 30(\$000):

	1996	1995	1994
Net sales	2,289,600	2,079,000	1,871,300
Cost of prod sold	841,600	727,300	647,600
Gross profit	1,448,000	1,351,700	1,223,700
Selling, gen &	2,,	1,000	.,,
admin exp	1.003.000	942,000	867,500
Operating income	445,000	409,700	356,200
Interest expense	24,500	27,000	29,600
Other inc	24,500	27,000	-2,000
(expenses)	dr20,200	5,400	dr6,400
Income bef acctg	G(20,200	5,100	<b></b> ,
chg & inc tax .	400,300	388,100	320,200
Provision for inc	700,500	500,100	520,200
tax	155,600	152,300	120,000
Income bef acctg	135,000	122,000	,
changes	244,700	235.800	200,200
Net income	244,700	235,800	200,200
Common shares (000)		230,400	200,200
Weighted avg	•		
shares &			
equivs outstg	121,200	120,700	119,200
Year end shares	121,200	,20,,00	,,200
outstg	119,400	117,700	117,400
Income (loss) per	412,500	117,700	111,100
sh-bef extraord			
item	\$2.02	\$1.95	\$1.68
Net inc (loss) per	\$2.02	41.70	₩1.00
sh	\$2.02	\$1.95	\$1.68
Dividends per	32.02	91.70	41.00
com sh	\$1.10	\$.96	
Total no of	\$1,10	4.70	• • • • • •
employees	9,600		
Number of com	3,000		
stkhlders	6,176		
Depreciation &	0,110		
	<b>□97,100</b>	92,100	83,300
amort	шэ/,100	32,100	43,500
llStraight Line			

#### CONSOLIDATED BALANCE SHEET, AS OF June

20(4000).		
Assets:	1996	1995
Cash & cash equivs	43,600	35,000
Total accts receiv	495,900	409,100
Allowance	22,600	19,100
Accounts receivable, net	473,300	<b>⊞390,000</b>
Inventories	2318,400	2284,400
Deferred income taxes	31.400	41.100
Descrited income taxes	31,400	71,100
Prepaid & other curr	59,300	61,300
assets	926,000	811,800
Total current assets	940,000	011,000
Property, plt &	492,100	378,300
equipment, net	1,271,700	1,208,900
Intangibles, net		
Other assets	38,700	20,800
Total assets	2,728,500	2,419,800
Liabilities:	10 4 000	
Accounts payable	136,800	117,800
Short-term borrowings	54,000	59,000
Accrued liabilities	195,400	195,600
Total current liabilities .	386,200	372,400
Total long-term debt	521,100	364,500
Postretirement benefits		
other than pensions	103,300	98,400
Deferred income taxes.	260,800	269,100
Other non-curr liabil	53,900	52,000
Total liabilities	1,325,300	1,156,400
Common stock	4 1,200	₫1,200
Capital surplus	1.147.600	1.094.600
Retained earn		
(accumulated deficit).	335,700	221,700
Accumulated transl adj	40,100	12,900
Treasury stock	41,200	41,200
Total aguitu	1,403,200	1,263,400
Total equity	2,705,200	1,200,400
	2,728,500	2,419,800
stkhiders eq	1005 #10 100	
Allow for doubtful accounts:	1775 417,100,1	COL Auth shee

ost or market DFirst in, first out DPar value: \$.01; Auth shs:

Long Term Debt: June 30, 1996, \$521,100,000 as follow

\$433,800,000 commercial paper

\$4.33,800,000 commercial paper.
\$66,500,000 foreign revolving credit loan.
\$20,800 other long-term debt.
At June 30, 1996, the Company had long-term bank credit facilities totaling \$818 which expire on December 30, 1997 and 1999. Availability under these credit agreements at June 30, 1996 was \$339. In addition, the Company has other international credit arrangements with banks totaling \$436 of which \$382 was available at June 30, 1996. Several of the Company's subsidiaries. June 30, 1996. Several of the Company's subsidiaries have the ability to borrow from a long-term bank credit facility and the other international credit arrangements.

racility and the other international credit arrangements.

Absent the effects of interest rate swap agreements, the effective interest rates at June 30, 1996 were 5.6% on commercial paper and 4.7% on foreign revolving credit loans, respectively. Incorporating the effects of the interest rate swap agreements discussed in Note 10, the effective interest rate on \$434 of domestic borrowings was 6.2%.

The Company is required to repay under its long-term bank credit facilities \$27 and \$434 in 1997 and 1999, respectively. Commercial paper and revolving credit loans are classified as noncurrent as the Company has the intent and ability to refinance these borrowings on a long-term basis.

The credit facilities require, under some conditions, that a portion of the net proceeds from the sale of assets be applied to reduce commitments or repay advances under the credit facilities. These facilities also contain financial and other restrictive covenants, including limitations on indebtedness and liens

## Capital Stock: 1. Duracell International Inc.

AUTH - 150,000,000 Shs. OUTSTG - Jun. 30, 1996, 119,400,000 Shs.; par \$ 0.01 TREASURY SHARES - 1,000,000 Shs.

To Dec. 16. STOCK OPTION PLANS -

Information regarding Co.'s option plans is summarized below:

Options 8,386,000 344,000 (1,638,000) (295,000) 
 Canceled
 (295,000)

 Outstg. June 30, 1996
 6,797,000

 Exercisable June 30, 1996
 3,215,000

 DIVIDENID REINVESTMENT PLAN - A Dividend Reinvestment Plan is available to Duracell shareholders.
 A Dividend Reinvestment Plan is available to Duracell shareholders. The Plan provides a convenient, economical and systematic method of acquiring additional shares of Duracell's common stock through the automatic reinvestment of dividends. The Plan also allows current shareholders to purchase additional shares of common stock through cash contributions of up to \$60,000 per year. All administrative fees associated with the Plan are paid by Duracell. Shareholders interested in participating in the Plan should request an application form from First Chicago Trust Company of New York.

PREMPTIVE RIGHTS - None.

TRANSETR ACENT & REGISTRAR - First Chicago

47¼ 36 38 % 27 % 3714 24% 36¾ OFFERED - (30,000,000 shs.) at \$15 per sh. (proceeds to Co., \$14.21 per sh.) on May 1, 1991 thru Merrill Lynch & Co., Goldman, Sachs & Co. Bear, Stearns & Co. Inc. and associates. Proceeds to reduce outstanding indebtedness. Offering contained an over-allotment of 4,500,000 shs

4,300,000 shs.) at \$28.75 per sh. (proceeds to Co., \$27.67 per sh.) on Oct, 21, 1991 thru Merrill Lynch & Co., Goldman, Sachs & Co., Bear, Stearns & Co. and associates. Proceeds of 5,000,000 shs. for Co. account to or spay debt used under domestic bank credit facility. Offering contained an over-allotment option of up to 1,800,000 shs.

#### DUTY FREE INTERNATIONAL, INC.

History: Incorporated in Maryland in Jan. 1983.
On Feb. 3, 1986, Co. acquired all the outstg. stk. of Samuel Meisel and Company, Inc. for \$4,915,367.
On Jan. 31, 1987, the Co. acquired all of the outstg. common stk. of Fenton Hill American Limited (FAHL) in exchange for 1,406,250 shs. of the Co.'s common stk. valued at \$2,901,440.

valued at \$2,901,440.

On July 31, 1987, the Co. acquired all of the outstg. stk. of Diplomatic Duty Free Shop, Ltd. (DDFS) in exchange for 99,900 shs. of the Co.'s common stk.

On Aug. 2, 1988, the Co.'s acquired 502 shs. (22%) of the outstg. shs. of IDF Services, Inc. for \$2,958,743.

On Feb. 1, 1989, the Co. acquired all of the assets, including the duty free and tetail leasehold concessions, of the Airport Division of IDF (IDF Airport Division of IDF Services Airport Assets) for \$7,479,970, including 502 shs. of IDF's common stk. valued at \$2,958,743.



Guernsey Branch

ESA Enterprises SA