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3M Fell 7.9% and Textron 43.1% in Period

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The Minnesota Mining and Manufacturing Company said yesterday that a combination of the recession and foreign-exchange fluctuations caused its earnings in the second quarter to drop 7.9 percent, while sales rose about 1.4 percent.

The St. Paul company, which has more than 45 major product lines, said that net income in the latest three months dropped to \$158.6 million, or \$1.35 a share, from \$172.2 million, or \$1.47 a share, in the corresponding quarter last year. Sales rose to \$1.69 billion from \$1.66 billion. Better Than Expected

"The results were better than I thought they would be," said Peter Enderlin, who follows 3M for Smith Barney, Harris Upham & Company. "We were estimating \$1.30 a share, and they came in at \$1.35.

"As with other multinationals, 3M was affected by the strength of the dollar abroad and the recession," he added. "In the second quarter of 1981, they apparently began to experience the costs of changes in marketing strategy, which also affected quarter-to-quarter comparisons."

Lewis W. Lehr, 3M's chairman and chief executive officer, said in a statement that the company's sales and earnings were adversely affected by continued sluggishness in the United States economy, and by the effects of a stronger American dollar overseas on sales and earnings.

"This country's industrial production was about 9 percent lower than in the same quarter a year ago, bringing the economy to about the same level of output as in 1979," Mr. Lehr said. "Given this environment, we are satisfied that our U.S. unit volume declined only slightly."

For the first six months of 1982, 3M's earnings declined 8.8 percent on a sales gain of about 3 percent. Net income in the first half fell to \$311.1 million, or \$2.65 a share, from \$341.2 million, or \$2.91 a share, in the first half of 1981. Sales increased to \$3.35 billion from \$3.25 billion. Textron

Textron Inc. said that the recession and continued high interest rates caused its net income for the second quarter to fall 43.1 percent, to \$24.7 million, or 67 cents a share, from \$43.4 million, or \$1.16 a share, in the corresponding quarter last year. Sales dropped 10.8 percent, to \$775.4 million from \$869.5 million.

Second-quarter net was increased by a gain of \$6 million, or 16 cents a share, from the exchange of 542,734 shares of Textron common stock for \$17.6 million of its 5 7/8 percent debentures held by Salomon Brothers Inc., the company said.

Textron said that demand was soft in the second quarter for commercial helicopters, outdoor products, machine tools and certain products used in the construction and automotive industries.

For the first six months of the year, the Providence, R.I., aerospace and electronics company disclosed that earnings dropped 46.2 percent, to \$45.5 million, or \$1.24 a share, from \$84.5 million, or \$2.26 a share, in the first half of 1981. Schlumberger

Schlumberger Ltd. disclosed that its net income for the second quarter rose 19.6 percent, to \$356.3 million, or \$1.21 a share, from \$297.8 million, or \$1.03 a share, in the same period a year earlier. Revenue advanced 9.6 percent, to \$1.6 billion from \$1.46 billion.

For the first half, the diversified oilfield services company said that its net income increased 24.9 percent, to \$710.6 million, or \$2.42 a share, from \$568.9 million, or \$1.97 a share, in the first six months of 1981. Revenue rose 12.1 percent, to \$3.26 billion from \$2.91 billion.

Jean Ribaud, Schlumberger's chairman, said that the increase in second-quarter earnings was a result of the continued expansion of the company's oilfield service units worldwide despite the severe downturn in domestic drilling activity. SmithKline Beckman

The SmithKline Beckman Corporation said that its net income in the second quarter increased 16 percent, to \$105.8 million, or \$1.28 a share, from \$90.8 million, or \$1.10 a share, in the same period last year. Sales advanced 11.2 percent, to \$723.8 million from \$651 million.

Henry Wendt, the company's president and chief executive officer, said that its earnings were lifted by the continuing strength of its ethical pharmaceuticals products and its eye-care businesses.

The Philadelphia-based concern said net income for the first six months increased 14.2 percent, to \$218.8 million, or \$2.56 a share, from \$191.6 million, or \$2.33 a share, in 1981's first half. Sales advanced 11.6 percent, to \$1.44 billion from \$1.29 billion. ---- Earnings tables, page 44.

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