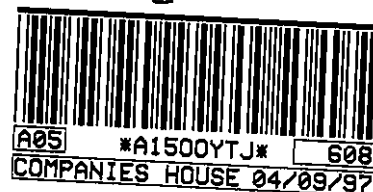


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CAPITAL RESEARCH COMPANY
BALANCE SHEET
US DOLLARS

CURRENT ASSETS:	AS OF 6/30/96	AS OF 6/30/95
Cash & Investment Securities Available for Sale	41,324,778	39,447,855
Intercompany Receivables	18,250,573	2,723,129
Receivables - Others	529,280	221,146
Prepaid Expenses	95,987	141,956
Total Current Assets	<u>60,200,618</u>	<u>42,534,086</u>
PROPERTY AT COST:		
Furniture & Equipment	4,254,876	3,850,286
Leasehold Improvements	5,916,636	4,202,439
Computer Software	17,677	17,677
Work in Process	0	17,011
Sub-Total Property at Cost	<u>10,189,189</u>	<u>8,087,413</u>
Accumulated Depr & Amort	<u>(4,929,393)</u>	<u>(4,406,433)</u>
Total Property - Net	<u>5,259,796</u>	<u>3,680,980</u>
OTHER ASSETS:		
Deposits and Sundry Assets	<u>985,901</u>	<u>1,281,100</u>
Total Other Assets	<u>985,901</u>	<u>1,281,100</u>
TOTAL ASSETS	<u>66,446,315</u>	<u>47,496,166</u>

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**CAPITAL RESEARCH COMPANY
BALANCE SHEET
US DOLLARS**

CURRENT LIABILITIES:	As of 6/30/96	AS OF 6/30/95
Intercompany Payables	4,831,377	2,270,727
Accounts Payable - Other	276,270	270,922
Accrued Comp & Emp Benefits	1,012,863	1,381,471
Accrued Income Taxes	617,125	(171,998)
Other Accrued Exp & Deferrals	685,689	640,677
Total Current Liabilities	<u>7,423,324</u>	<u>4,391,799</u>
ACCRUED POSTRETIREMENT BENEFIT	662,067	466,413
DEFERRED INCOME TAXES	<u>(724,059)</u>	<u>(390,319)</u>
Total Liabilities	<u>7,361,332</u>	<u>4,467,893</u>
 EQUITY:		
Capital Stock From Affiliated	1,000	1,000
Paid-In Surplus From Affiliate	1,500	1,500
Retained Earnings	59,308,140	42,996,329
Net Unrealized Appr on Invest	<u>(225,657)</u>	<u>29,444</u>
Total Equity	<u>59,084,983</u>	<u>43,028,273</u>
TOTAL LIABILITIES & EQUITY	<u>66,446,315</u>	<u>47,496,166</u>

CAPITAL RESEARCH COMPANY
STATEMENT ON INCOME
US DOLLARS

OPERATING REVENUES:	FYE 6/30/96	FYE 6/30/95
Intercompany Revenues	<u>170,838,676</u>	<u>124,300,305</u>
Total Operating Revenues	<u>170,838,676</u>	<u>124,300,305</u>
OPERATING EXPENSES:		
Employee Compensation	60,919,542	43,525,864
Employee Benefits	5,662,829	4,670,064
Facilities & Communications	5,056,822	5,297,840
Computer Costs	2,051,774	1,890,038
Professional & Outside Svc	1,107,119	1,040,929
Sales & Dealer Expenses	13,884	18,935
Travel & Business Meetings	2,598,883	1,996,023
Other Operating Expenses	398,301	299,316
Intercompany Expenses	<u>16,313,752</u>	<u>13,709,418</u>
Total Operating Expenses	<u>94,122,906</u>	<u>72,448,427</u>
Income from Operations	<u>76,715,770</u>	<u>51,851,878</u>
OTHER INCOME & EXPENSE:		
Interest Income - Net	1,943,037	565,255
Gain/(Loss) on Investments	19,074	0
Other - Net	<u>760,457</u>	<u>1,512,946</u>
Total Other Income & Expense	<u>2,722,568</u>	<u>2,078,201</u>
Income Before Taxes	<u>79,438,338</u>	<u>53,930,079</u>
Income Taxes	<u>33,030,849</u>	<u>23,111,385</u>
Net Income	<u>46,407,489</u>	<u>30,818,694</u>