

F17708

Capital Research Company
As of June 30, 1999
U.S. Dollars

	<u>As of 6/30/99</u>	<u>As of 6/30/98</u>
ASSETS		
Current Assets:		
Cash and Investment Securities Available for Sale	137,875,846	102,361,950
Intercompany Receivables	36,270,384	28,072,271
Receivables - Other	2,013,745	1,860,169
Prepaid Expenses	120,737	125,230
Total Current Assets	<u>176,280,712</u>	<u>132,419,620</u>
Property at Cost:		
Furniture and Fixtures	1,826,650	4,573,135
Leasehold Improvements	8,764,589	7,353,704
Personal Computers	1,641,112	16,949
Hardware and Software	1,208,324	-
Work in Process	-	26,605
Sub-Total Property at Cost	<u>13,440,675</u>	<u>11,970,394</u>
Accumulated Depreciation and Amortization	<u>(5,942,682)</u>	<u>(5,125,126)</u>
Total Property - Net	<u>7,497,993</u>	<u>6,845,268</u>
Other Assets:		
Deposits and Sundry Assets	1,366,868	1,278,291
Deferred Income Tax Benefit	1,286,498	935,603
Total Other Assets	<u>2,653,366</u>	<u>2,213,894</u>
TOTAL ASSETS	<u><u>186,432,071</u></u>	<u><u>141,478,782</u></u>
LIABILITIES AND EQUITY		
Current Liabilities:		
Intercompany Payables	18,524,398	14,449,608
Accounts Payable - Other	61,374	126,268
Accrued Compensation and Employee Benefits	3,179,445	3,113,956
Accrued Income Taxes	(693,404)	(127,691)
Other Accrued Expense and Deferrals	631,604	500,770
Total Current Liabilities	<u>21,703,417</u>	<u>18,062,911</u>
Accrued Postretirement Benefit:	972,259	1,042,090
Total Liabilities	<u>22,675,676</u>	<u>19,105,001</u>
Equity:		
Capital Stock from Affiliate	1,000	1,000
Paid-in Surplus from Affiliate	1,500	1,500
Retained Earnings	164,175,959	122,112,427
Net Unrealized Appreciation on Investment	(422,064)	258,853
Total Equity	<u>163,756,395</u>	<u>122,373,780</u>
TOTAL LIABILITIES AND EQUITY	<u><u>186,432,071</u></u>	<u><u>141,478,782</u></u>

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Capital Research Company
Statement on Income
U.S. Dollars

	FYE 6/30/99	FYE 6/30/98
OPERATING REVENUES:		
Intercompany Revenues	<u>341,018,949</u>	<u>292,229,290</u>
Total Operating Revenues	<u>341,018,949</u>	<u>292,229,290</u>
OPERATING EXPENSES:		
Employee Compensation	130,440,054	109,061,887
Employee Benefits	7,536,205	7,347,329
Facilities and Communications	6,725,038	6,200,532
Computer Costs	4,166,251	2,642,668
Professional and Outside Services	1,359,218	1,537,711
Sales and Dealer Expenses	8,317	10,324
Travel and Business Meetings	4,491,479	3,957,179
Other Operating Expenses	568,837	441,889
Intercompany Expenses	<u>19,870,286</u>	<u>21,456,138</u>
Total Operating Expenses	<u>175,165,685</u>	<u>152,655,656</u>
Income From Operations	<u>165,853,264</u>	<u>139,573,634</u>
OTHER INCOME & EXPENSE		
Interest Income - Net	5,799,185	4,557,617
Gain/(Loss) on Investments	(652,752)	(8,558)
Other - Net	<u>1,592,774</u>	<u>1,182,866</u>
Total Other Income & Expense	<u>6,739,207</u>	<u>5,731,925</u>
Income Before Taxes	172,592,471	145,305,558
Income Taxes	(70,831,270)	(59,823,414)
NET INCOME	<u><u>101,761,201</u></u>	<u><u>85,482,145</u></u>