

11/27

Capital Research Company
Statement on Income
U.S. Dollars

	FYE 6/30/01	FYE 6/30/00
OPERATING REVENUES:		
Intercompany Revenues	473,162,304	449,598,310
Total Operating Revenues	<u>473,162,304</u>	<u>449,598,310</u>
OPERATING EXPENSES:		
Employee Compensation	198,374,719	186,620,063
Employee Benefits	8,997,209	8,528,759
Facilities and Communications	8,766,558	7,845,712
Computer Costs	4,833,264	3,826,723
Professional and Outside Services	1,816,534	1,434,273
Sales and Dealer Expenses	5,623	3,393
Travel and Business Meetings	5,300,716	5,083,203
Other Operating Expenses	532,744	503,585
Intercompany Expenses	25,954,414	21,011,558
Total Operating Expenses	<u>254,581,781</u>	<u>234,857,269</u>
Income From Operations	<u>218,580,523</u>	<u>214,741,041</u>
OTHER INCOME & EXPENSE		
Interest Income - Net	10,662,892	7,987,766
Gain/(Loss) on Investments	(243,900)	58,334
Other - Net	3,873,041	2,532,086
Total Other Income & Expense	<u>14,292,033</u>	<u>10,578,186</u>
Income Before Taxes	232,872,556	225,319,227
Income Taxes	(94,723,434)	(92,695,806)
NET INCOME	<u>138,149,122</u>	<u>132,623,421</u>



Capital Research Company
As of June 30, 2001
U.S. Dollars

	<u>As of 6/30/01</u>	<u>As of 6/30/00</u>
ASSETS		
Current Assets:		
Cash and Investment Securities Available for Sale	254,981,688	188,977,957
Intercompany Receivables	42,139,526	44,935,807
Receivables - Other	4,150,397	2,927,910
Prepaid Expenses	158,591	140,008
Total Current Assets	<u>301,430,202</u>	<u>236,981,682</u>
Property at Cost:		
Furniture and Fixtures	2,113,563	2,083,930
Leasehold Improvements	10,861,426	9,799,077
Personal Computers	1,805,572	1,768,137
Hardware and Software	1,221,469	1,271,856
Work in Process	-	-
Sub-Total Property at Cost	<u>16,002,030</u>	<u>14,923,000</u>
Accumulated Depreciation and Amortization	<u>(8,615,704)</u>	<u>(7,412,232)</u>
Total Property - Net	<u>7,386,326</u>	<u>7,510,768</u>
Other Assets:		
Deposits and Sundry Assets	2,158,952	2,004,787
Deferred Income Tax Benefit	3,568,560	2,558,280
Total Other Assets	<u>5,727,512</u>	<u>4,563,067</u>
TOTAL ASSETS	<u>314,544,040</u>	<u>249,055,517</u>
LIABILITIES AND EQUITY		
Current Liabilities:		
Intercompany Payables	19,773,440	18,242,258
Accounts Payable - Other	158,755	106,364
Accrued Compensation and Employee Benefits	7,374,309	6,440,524
Accrued Income Taxes	1,686,294	1,274,672
Other Accrued Expense and Deferrals	482,354	686,977
Total Current Liabilities	<u>29,475,152</u>	<u>26,750,795</u>
Accrued Postretirement Benefit	1,435,611	1,514,121
Total Liabilities	<u>30,910,763</u>	<u>28,264,916</u>
Equity:		
Capital Stock from Affiliate	1,000	1,000
Paid-in Surplus from Affiliate	1,500	1,500
Retained Earnings	279,948,502	221,799,380
Net Unrealized Appreciation on Investment	3,682,275	(1,011,279)
Total Equity	<u>283,633,277</u>	<u>220,790,601</u>
TOTAL LIABILITIES AND EQUITY	<u>314,544,040</u>	<u>249,055,517</u>