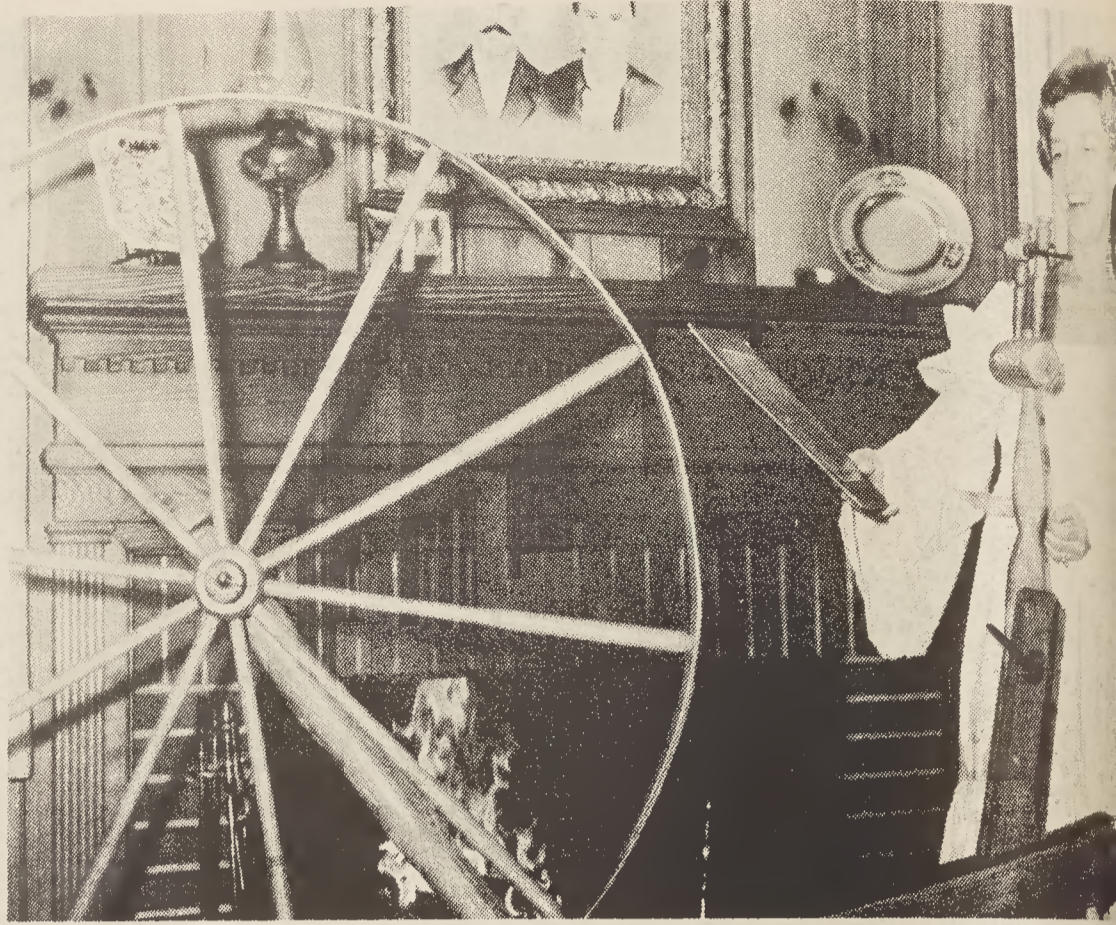




Members of the Eden Junior Woman's Club model clothing of the Revolutionary period made from Fieldcrest's "American Treasures" Collection. From left are Mrs. A. W. Bowers, Mrs. Joseph Maddrey, Mrs. Ed Guest and Mrs. Robert Shelton.



Wearing a Revolutionary era dress made from Fieldcrest's "American Treasures" Collection, is Mrs. Thomas Harrington who gave a presentation on local history and sixth graders during "Awareness Week."

Costumes Created From "American Treasures"

Costumes made from Fieldcrest's "American Treasures" Collection recreated from designs in the Smithsonian Institution were featured in the presentation of the musical "O, Penelope" presented on February 28 in the Eden city schools.

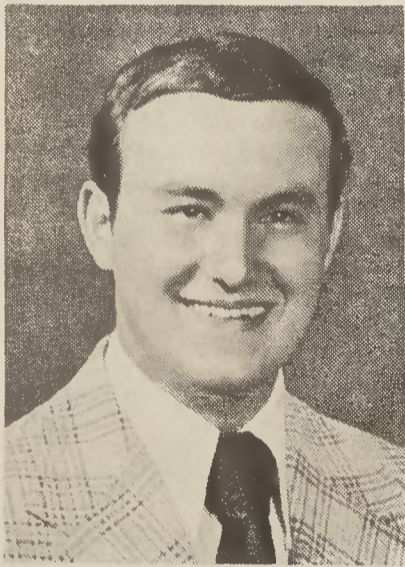
The musical was presented during "Awareness Week", observed by fifth and sixth grade students, and focused on the importance of the American Revolution.

Events during the week included skits and recitations by the various classes, slide presentations of Tryon Palace, a

film called "Port Patriot," and presented music of the Revolutionary period.

The musical "O, Penelope," which climaxed the week, was based on the Edenton Party. The week-long events were sponsored by the Junior Woman's Club.

Is Honored By College



KENNETH McFARLING

Bluefield College at Bluefield, Va., recently saluted Kenneth McFarling of Eden for "high standards of achievement in honor and responsibility for involvement in student programs."

Mr. McFarling, who has been attending Bluefield for 2½ years is president of the student body there. He is a member of the Draper Christian Church and presently is serving as interim minister at the Morgan Ford Christian Church, Ridgeway, Va.

His parents are Houston McFarling of the Packaging Department at the Bedspread Finishing Mill and Margaret McFarling of the Yarn Preparation Department at the Blanket Greige Mill.

'74 Operating Results

(Continued From Page One)

detailed analysis of performance for the fourth quarter and the year.

"For the first three quarters it appeared as though Fieldcrest was headed for one of its best years in sales and profits. In the fourth quarter, sales and orders declined significantly as retailers curtailed their orders in an effort to reduce inventories.

"To keep our inventories in line, production was curtailed at all mills. In addition, stringent measures were undertaken to reduce expenses and minimize the effect of the economic slowdown.

"Also, the Board of Directors decided to change the company's accounting policy for Bed and Bath Division inventories from the FIFO method to the LIFO method. In the past, earnings included the inflationary effect on inventories of continually increasing costs. Shifting to LIFO eliminates inflationary inventory profits and therefore reduces final earnings figures.

"It should be noted that under FIFO such inventory earnings, although representing only a paper profit, were taxable. The change to LIFO in 1974 reduced pre-tax earnings by \$6,186,000, and the company achieved a cash flow savings of \$3,155,000 by eliminating taxes attributable to earnings that would have resulted from the higher FIFO inventory values.

"Another significant

adjustment included in the earnings statement is the required write-down of our raw material commitment position. It should be noted that this is an accounting procedure.

"It is not recognized by the Internal Revenue Service as a charge against earnings and therefore is not deductible for tax purposes. Due to the drop in the market price of raw materials and the low fourth quarter activity, a pre-tax reserve of \$7,365,000 was established for raw material commitments in conformance with accepted accounting principles.

"This represented the difference between the price of Fieldcrest's raw material commitments and the approximate market value at the end of the year. Although there is no tax benefit resulting in 1974 from the establishment of this reserve, Fieldcrest will accrue a future tax benefit of \$3,756,000.

"After the accounting change and the reserve for raw material commitments, the 1974 fourth quarter results showed a loss of \$2,092,000 (\$.58 per share) and net earnings for the year of \$1,403,000 (\$.39 per share). Comparable 1973 earnings were \$4,360,000 (\$1.22 per share) for the fourth quarter and \$9,354,000 (\$2.62 per share) for the year.

"The change to LIFO reduced net earnings by \$3,031,000 (\$.85 per share) for the year of which \$697,000 (\$.19 per share) was applicable to the fourth quarter and \$2,334,000 (\$.66 per share) represents a restatement of



Lemons Children

Steven Lemons, who was five years old on February 7, is shown with his sister, Wendy, who was three years old on February 13. They are the

earnings previously reported for the first nine months. The charge for write-down of raw material commitments reduced net earnings by \$2,020,000 (\$.56 per share) for the fourth quarter and by \$3,609,000 (\$1.01 per share) for the year."

children of Mr. and Mrs. Lemons of Maternal grandparent and Mrs. Junior Lumkins is employed in the Cloth Room at the Mill. Mrs. Lumkins is employed in the Woollen Spinning Department. Blanket Greige children's great-grandfather Lewis Hammock, is employee of the Draper Mill, Weave Room.

THE MILL