

## Fieldcrest Earnings Highest Ever

Fieldcrest Mills, Inc. has reported all-time high fourth quarter and annual earnings for 1977.

Net earnings for the fourth quarter were \$5,109,000 (\$1.36 per primary share), compared to \$4,861,000 (\$1.34 per primary share), in 1976. Sales were \$123,794,000, an increase of 20% over sales of \$103,058,000 the previous year.

Net earnings for the year rose to \$17,294,000 (\$4.65 per primary share), a 39% increase over the 1976 level of \$12,439,000 (\$3.39 per primary share). Sales for 1977 of \$416,860,000 were 21% over the 1976 level of \$345,025,000.

In commenting on the Company's performance, William C. Battle, President and Chief Executive Officer, said, "This is the third consecutive year that Fieldcrest has established earnings and sales records. The fourth quarter performance of the Company was strong and in line with the experience of the first nine months. However, fourth quarter earnings were affected by an increase in the LIFO inventory reserve of approximately \$4.2 million. While this adjustment reduced net earnings for that period by approximately \$2.1 million, a corresponding cash increase was achieved.

"The record earnings levels were a result of strong performance by the Bed and Bath Division and the Carpet and Rug Division. Each division had sales gains significantly in excess of industry performance. More important, however, each division's earnings increase exceeded its sales increase on a percentage basis.

"The marketing and styling leadership in consumer products contributed significantly to the improved profitability, as did the high quality standards and efficiency goals established by manufacturing.

Selling, administrative and warehousing expenses were again reduced in 1977 as a percent of sales. Continued emphasis was placed on turns of inventory and accounts receivable."

Battle made no prediction as to future results but did say that in spite of the unsettled economic conditions management is optimistic and that Fieldcrest's unfilled order position is particularly strong at this time and substantially ahead of last year.

## Karastan Introduces Spring Area Rugs

Primitive native geometrics inspired by Moroccan designs and a new Caucasian pattern underscore the continued importance of the "ethnic" look in new area rugs being introduced for Spring '78 by Karastan.

In addition to the Mameluke design, Karastan's 50th Anniversary Commemorative Rug, other new area rug fashions include the Bedouin Collection, a group of Moroccan-inspired designs; a Caucasian Seichur pattern and a Persian hunting design called the Royal Hunt Rug, and a classic 18th century

French style called the Golden Aubusson.

"The ethnic influence is still quite strong in contemporary interiors, and the bold native geometrics and earthtone colorings of the Bedouin and Seichur rugs are ideally matched to this look," stated Robert V. Dale, vice-president of styling and design for Karastan.

The Bedouin Collection offers three different patterns called Algeria, Marrakech and Tunis. As Dale explained, the designs were inspired by Moroccan style rugs. "Here again," he noted, "we see that primitive patterns have a seeming universal similarity. The patterns in these Moroccan-style rugs are quite reminiscent of some American Indian and Caucasian designs."

But, he added, the colors are especially Moroccan in mood, featuring such desert earthtones as sand beige, dark brown, copper, and gold.

The rugs are made by Karastan's exclusive Kara-Crest process in a thick plush pile of all-acrylic yarns.

The Seichur design is a striking Caucasian style featuring rust tones with a blue-gray color. It is composed of a series of intricate geometric motifs, which Dale pointed out, go beautifully with both modern and country interiors.

The Royal Hunt Rug is an historic depiction of animals and 16th century Persian hunters on horseback. "It's apparent that these centuries-old action scenes have widespread appeal as hunting design rugs, which have great similarities with Persian miniature painting, have proven quite popular in this country," Dale said.

(PHOTOS ON PAGE 4)



SMILING GROUP of 50-Year Club members welcomed the newest member, Payton Jeffries, front row right. Front row from left, are Allie Houchins, Betty [unclear], G. Josie Taylor, Mary Manuel. Second row from

left, Thomas K. Thompson, A. D. Weaver, Bunyan Lee Thompson, Lonnie T. Hankins, Hugh T. Lee. Back row, J. Thomas Patterson, T. Earl Bondurant and Glenn Simpson. See story and photos on Page 8.