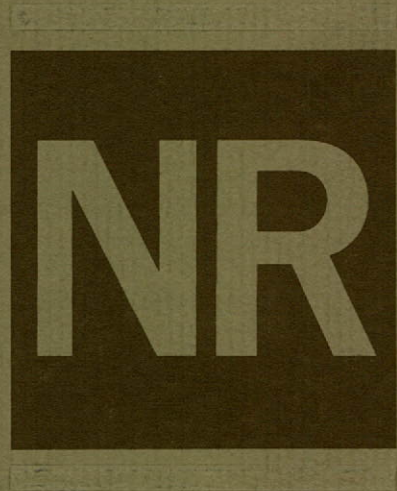


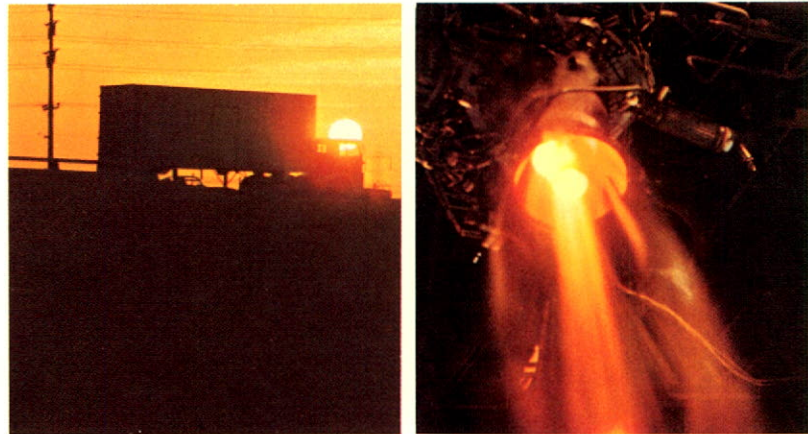
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NORTH AMERICAN ROCKWELL CORPORATION / A FIRST LOOK



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A New Kind of Corporation in a Changing World

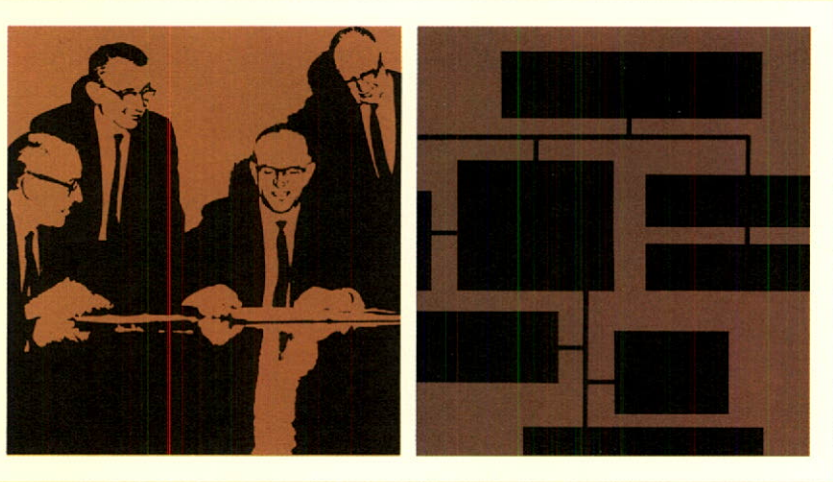


Authoritative forecasts are consistent in showing that worldwide populations will continue to rise, conventional natural resources will continue to diminish, and that these problems will come to dominate the economy of the nation and of the world.

It is also apparent that they can be solved, and that mankind can continue to achieve new levels of progress, by marshalling our technological skills on a systematic basis.

One of the primary instruments for accomplishing this is a new type of corporation that can command almost unlimited technologies, can manage various combinations of them to achieve imaginative and comprehensive solutions, can perform the whole range of industrial work from basic research to mass production, and can market individual products or entire systems of products on a worldwide scale.

Such a company is North American Rockwell.



DIRECTORS AND OFFICERS

DIRECTORS

J. L. Atwood	President and Chief Executive Officer
John J. Balles	Senior Vice President and Chief Economist, Mellon National Bank and Trust Company
Asa V. Call	Director and Chairman of the Executive Committee, Pacific Mutual Life Insurance Company
William K. Child	President, Draper Division
L. A. Dixon	Senior Vice President, Corporate Development
Henry B. du Pont	Director and Member of the Finance Committee, E. I. du Pont de Nemours & Co.
Herbert G. Fales	Consultant, The International Nickel Co., Inc.
Fred L. Hartley	President, Union Oil Company of California
Thomas Phillips Johnson	Partner, Kirkpatrick, Pomeroy, Lockhart & Johnson, Attorneys, Pittsburgh
George F. Karch	Chairman of the Board and President, The Cleveland Trust Company
R. A. Lambeth	Vice President, Senior Financial Adviser
Robert A. Lovett	Member of the firm of Brown Brothers Harriman & Co.
H. B. Massey	President, Massey Buick Company, Pittsburgh
John R. Moore	Vice President and President, Aerospace and Systems Group
Henry T. Mudd	Chairman of the Board, Cyprus Mines Corporation
William C. Mullendore	Corporate Director and Economist
Fred W. Parker, Jr.	President, Rockwell-Standard Divisions
Roy L. Reiersen	Senior Vice President, Economics, and Chairman of the Advisory Committee, Bankers Trust Company
Walter F. Rockwell	Business consultant
Willard F. Rockwell	Chairman of the Board
Willard F. Rockwell, Jr.	Vice Chairman of the Board and President, Commercial Products Group
Chester A. Rude	Member of the Executive Committee, Security First National Bank
William A. Seifert, Jr.	Partner, Reed, Smith, Shaw & McClay, Attorneys, Pittsburgh
J. S. Smithson	Senior Vice President, Aerospace and Systems Group
Leland R. Taylor	Vice President and Assistant to the President

OFFICERS

Willard F. Rockwell	Chairman of the Board
Willard F. Rockwell, Jr.	Vice Chairman and President, Commercial Products Group
J. L. Atwood	President and Chief Executive Officer
L. A. Dixon	Senior Vice President, Corporate Development
Dupuy Bateman, Jr.	Vice President
William H. Cann	Vice President and Secretary
Robert D. Krestel	Treasurer
R. A. Lambeth	Vice President, Senior Financial Adviser
John R. Moore	Vice President and President, Aerospace and Systems Group
John J. Roscia	Vice President and General Counsel
Leland R. Taylor	Vice President and Assistant to the President

THE MANY STRENGTHS OF NORTH AMERICAN ROCKWELL

The merger of North American Aviation and Rockwell-Standard Corporation on September 22, 1967 brings together two dynamic industrial forces—a leading Government contractor in defense and space activities, and a leading manufacturer of diversified products for the commercial market.

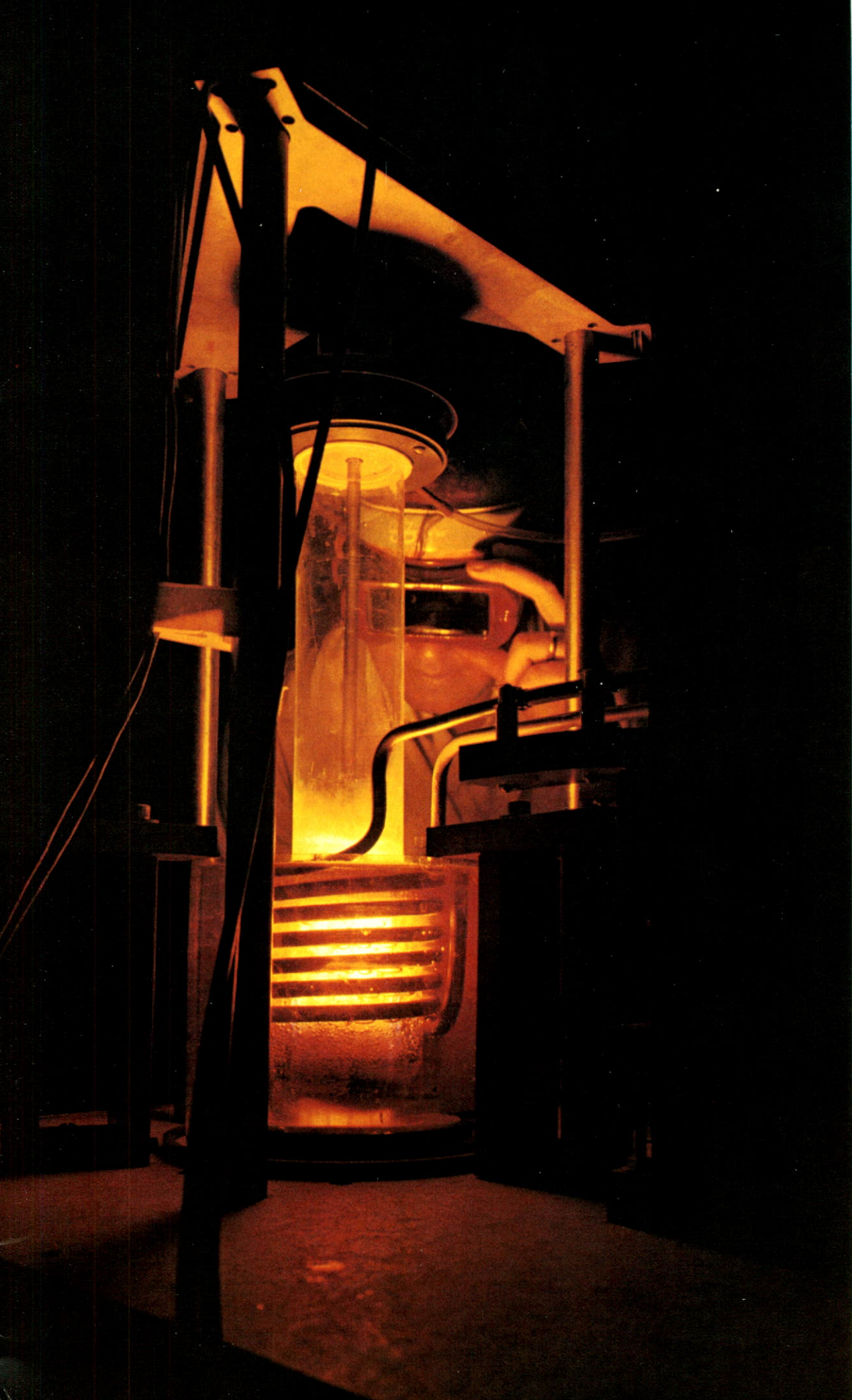
The company is organized into two major groups—the Commercial Products Group and the Aerospace and Systems Group.

The Aerospace and Systems Group has a number of divisions specializing in aircraft, atomic energy, missiles, electronics, space vehicles, rocket propulsion, and other product lines. It is responsible for defense and space programs and for other Government projects requiring management of complex systems.

The Commercial Products Group comprises the manufacturing and sales activities for industrial and commercial markets. Its many plants are organized into divisions in such fields as automotive products, agricultural and industrial equipment, private airplanes, and textile machinery.

Besides adding together the resources and capabilities of the two companies, the merger enables them to accomplish greater results than they could achieve separately. Some of the most important of these are:

1. Achieves a good balance between Government and commercial business, thus building toward maximum stability in a constantly changing environment.



*Development of
a crystal for laser
and semiconductor
applications.*

2. Combines the technological and program management skills of North American Aviation with the volume production and marketing experience of Rockwell-Standard, thereby facilitating the commercial application of sophisticated technologies.
3. Operates a great diversity of plants and other facilities, giving utmost flexibility in the assignment of many-sided tasks.
4. Combines the strong financial position and credit of two sound and respected companies, thus assuring the capital needed for further growth and diversification.
5. Makes profitable use of several hundred different skills and professional specialties of nearly 114,000 employees to meet a large variety of business opportunities, today and in the future.

*1 A Balance between Government
and Commercial Business*

North American Rockwell is involved not only in both of these principal market areas, but in many different submarkets within each.

As a major supplier to both the Department of Defense and the National Aeronautics and Space Administration, it is the nation's largest Government contractor. It provides nearly 50 product lines to customers that include almost all the agencies procuring advanced systems and equipment. Some of these are the Air Force, Navy,

Army, NASA, and Atomic Energy Commission. Other governmental customers include the Federal Aviation Agency, Department of State, Department of Commerce, Department of Housing and Urban Development, Department of Health, Education and Welfare, state and local agencies, and foreign countries. The company continues to seek and establish additional Government-type customers.

For the nation, such advanced and versatile capabilities constitute an effective instrument to accomplish public objectives. For the company, such a diversity of contracts guards against the effects of changing factors within the Government market.

In commercial areas, the company manufactures and sells a large variety of components or complete units for such different markets as commercial airplanes, passenger cars, trucks, trailers, buses, farm equipment, construction vehicles, industrial products, and textile machinery. This broad diversification permits a healthy record of sales despite temporary changes in any one market.

*2 Combining Technology with
Manufacturing and Marketing*

Since World War II, total technical knowledge has been doubling every 10 to 15 years. It has been observed that 90 per cent of the scientists who ever lived are alive today.

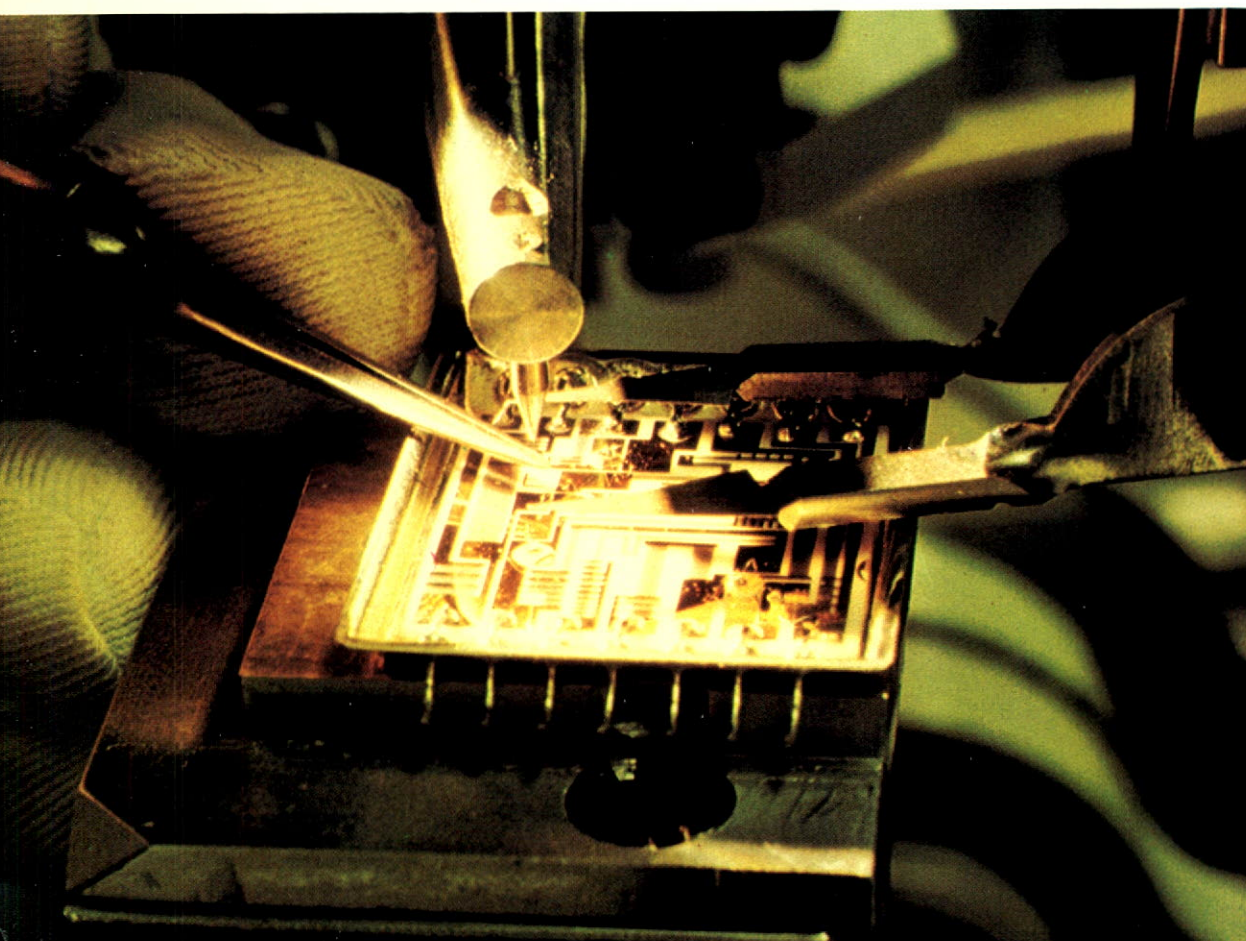


Wheel covers, among the company's products for passenger car market, are tested for concentricity.

Wheels of transportation turn with company-built brakes, axles, and other important components.



Microelectronic circuits permit far greater performance with much smaller space and weight.



Company-built axles and other major components are found on many farm machines across nation.

X-15, shown leaving B-52 launch ship, is setting new world speed records for winged vehicles.



It is the firm conviction of North American Rockwell's management that its vast and growing body of useful data and innovation, together with its working teams of skilled and experienced specialists, should find additional applications for the public benefit. They can and should also be used for improved products and processes to raise the standard of living still higher, and for new approaches to such public requirements as transportation, resource management, and information retrieval.

Such applications of technology are already under way, but while technical data may be passed from one area to another, it is much more difficult to transfer the necessary skills, experience, and management techniques. A prime solution of this problem is to incorporate in a single company both the necessary advanced technologies and the practical avenues for profitable commercial application.

North American Rockwell embodies the entire spectrum of defense and space technologies, as well as experience in applying them on a large scale. For many years it has designed, developed, and built different weapon or space systems involving unprecedented performance demands and technical challenges. The Apollo spacecraft, which will carry Americans to the moon and back, embodies about 2,000,000 functional parts, and is several times more complex than the most advanced of its predecessor space capsules.

The scientific and engineering difficulties surmounted in these programs have prepared the

company for almost any conceivable management program that it could be assigned, either by existing Government customers or in future industry-Government partnership operations to meet pressing human and community needs.

At the same time, the burgeoning technical innovations and processes that are continually growing out of the company's activities can find additional applications in industrial markets. Many of the strides being made in metallurgy, lubricants, fuels, materials processing, instrumentation, microelectronics, power sources, data processing, and other fields can bring substantial improvements to commercial products. These will sharpen the company's competitive position in its existing markets and enable it to create opportunities in new markets.

3 *Flexible Use of Many Different Facilities*

While North American Rockwell is highly diversified in its markets and product lines, it is also diversified in the location and capabilities of its many facilities across the United States and around the world. It currently has more than 100 plants and other principal installations in 27 states and Canada. It also has 34 subsidiaries, affiliates, and principal licensees — most of them engaged in manufacturing or marketing industrial products — in 17 foreign countries.

The many installations represented by these figures range in size from a few employees up to several thousand.

In types of equipment, they vary from the precision instruments used in making microelectronic components to the heavy casting and forging machinery for producing truck components.

In manufacturing processes, they range from the custom construction of unique space launchers to the assembly line production of automobile parts.

The installations vary in function from laboratory work on advanced research projects to the volume production of such equipment as radars, axles, and springs. Their finished products include contractual reports on the feasibility of an advanced concept, individual parts for agricultural and construction equipment, entire machines for various industrial purposes, and comprehensive systems to accomplish complex defense or space missions.

Altogether, they produce more than 100 different product lines and thousands of individual products.

These installations are equally diverse in the types of markets they serve, as shown by the breakdown of sales in the financial section.

Moreover, equipment will continue to be modified or improved as new products are created. Every year entire new installations are added—designed both for specific new functions and for adaptation to later demands.

During 1967 the company put into operation the world's most modern axle plant, a deep water ocean systems facility, and a complete launch vehicle manufacturing complex.

North American Rockwell commands a superlative variety of laboratory, manufacturing, and test facilities. These can be employed in any combination to match almost any requirement for research, development, or production. Management believes that this depth and flexibility in capital facilities and equipment gives North American Rockwell an extraordinary potential in winning new business, both Governmental and commercial.

4 Financial Strength for Further Expansion

Behind North American Rockwell is a long tradition of sound financial policies, strong credit positions, and profitable operations.

North American Rockwell has an impressive history of profits and dividends; consistent growth in stockholders' equity, working capital and net property; general expansion in sales and assets; and conservative borrowing policies. North American Rockwell thus combines the financial strength and consistent profitability of two successfully managed organizations.

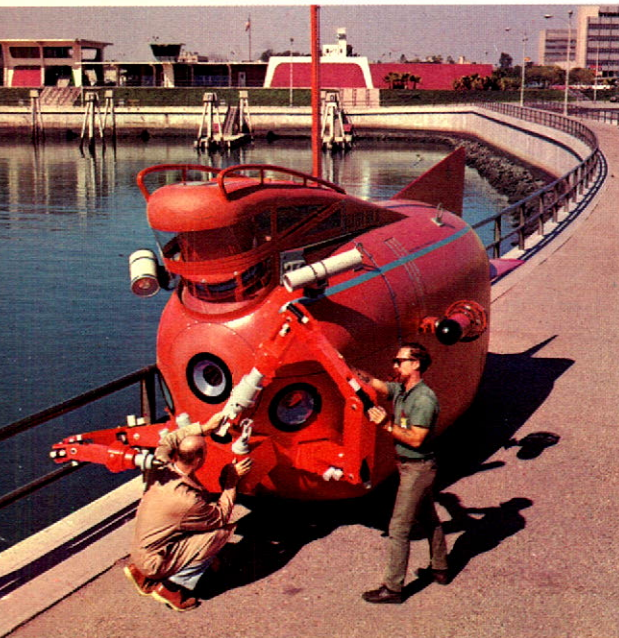
With these total resources in property, capital, and credit, North American Rockwell enjoys un-



Propeller shafts and other components are widely used in heavy construction equipment.

Model of deep-diving submarine shows unique manipulators for work tasks at 2000-foot depths.

The company is a major supplier of drive units and other products for military vehicles.



usual latitude in planning for the future. The management fully recognizes that capital strength is a prerequisite for orderly growth, for adjustment to changing circumstances, and for maximum exploitation of new opportunities. Constructive change will be a way of life at North American Rockwell, and the company has the resources that permit it not only to respond to change, but to create change.

5 *Myriad Skills to Meet New Challenges*

Nowhere is the versatility of North American Rockwell more obvious than in the myriad skills of its nearly 114,000 employees. Altogether, they represent several hundred different occupational and professional specialties. They include nearly 20,000 engineers and scientists, who in turn represent well over 100 different college majors. Of these, several thousand have master's or doctor's degrees.

The functions performed by the people of North American Rockwell vary from repetitious but highly skilled production work to one-of-a-kind experiments in laboratories devoted to basic research. Throughout the company, hundreds of supervisors and executives provide an extraordinary depth in the management of programs requiring both creativity and teamwork.

Employing various combinations of these immense resources in human talents, the company



is able to meet practically any kind of scientific, engineering, or manufacturing challenge. Many of its managers are already experienced in forming and reforming different teams of specialists to match changing program needs. With the formation of North American Rockwell, a new level of manpower versatility is achieved, and even greater opportunities are opened for the future.

Merger with a Mission

These are the kinds of reasons why the merger of North American Aviation and Rockwell-Standard Corporation is far more than the addition of one company upon another. Rather, it brings together complementary strengths that support and intensify each other.

Such an accomplishment comes at a time when American technology is gaining the ability to cope successfully with the socioeconomic problems that clearly loom ahead on this planet. The atomic reactors that can unleash unlimited supplies of energy, the microelectronic techniques that can open new realms of automatic controls and information management, the life sciences developed in space work that can give man greater control over his environment—these and other unfolding technologies will inevitably find large-scale application. Armed with this ability

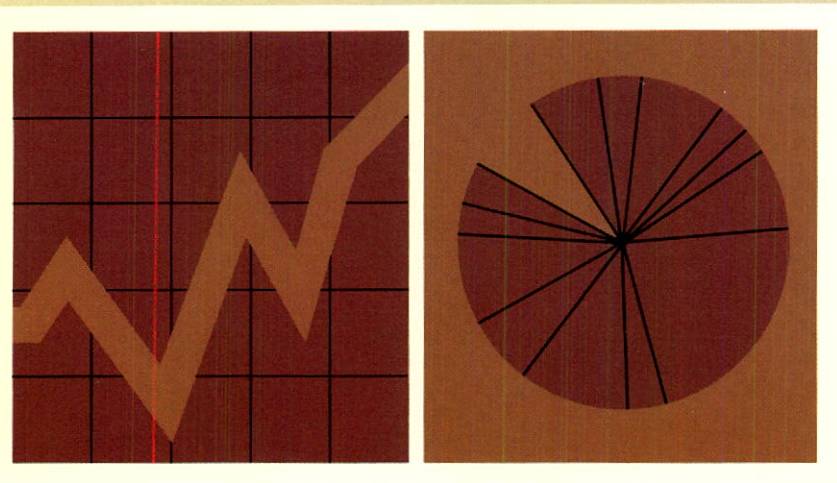
and working with public agencies, corporate enterprise is the one force that can build mass transit systems worthy of a modern age; clean up pollution of the air and water; renew and preserve our cities; find new resources of food and minerals in the oceans; apply creative, imaginative resources to the design and operation of hospitals and schools; develop new sources of power; and produce ample, fresh supplies of water from the seas.

In that segment of American industry which is developing these capabilities, North American Rockwell is already a leader. Its command of multiple disciplines and its experience in systems management are unsurpassed. It is already performing contracted or company-sponsored research and development in mass transportation systems, water and waste management, information gathering and retrieval, atomic reactors that produce more fuel than they consume, systems for automated hospitals, and vehicles for deep ocean work. No company is further advanced in preparing for these looming markets. Through the merger of North American Aviation and Rockwell-Standard Corporation, the company has gained a more refined and better rounded base from which to assault these new challenges.

Thus the chemistry of this merger works for progressive change and profitable growth. The name of North American Rockwell speaks of gathering strength for unlimited goals. It is a merger with a mission.



36-story Saturn V launch vehicle is scheduled for early flight with Apollo spacecraft as payload.



FINANCIAL STRENGTH

North American Rockwell Corporation is the continuing corporation after the merger of North American Aviation, Inc. and Rockwell-Standard Corporation. This merger and the merger of Rockwell-Standard and Draper Corporation on June 30, 1967 have been accounted for as poolings of interests, except that 23.18 per cent of the common stock of Draper acquired for cash has been accounted for as a purchase. The financial information that follows represents the combination of such information for North American Aviation, Inc., Rockwell-Standard Corporation, and Draper Corporation, as explained in the Notes to Financial Statements.

For the entire 1967 fiscal year ending September 30, sales and earnings will be lower than the combined figures for 1966. However, considering the factors affecting company business in the near future, sales and earnings are expected to be higher in 1968. Combined backlog of unfilled orders on June 30, 1967 was \$3,429,000,000, including \$2,273,000,000 for orders not yet funded but which are either negotiated or under negotiation.

The annual report of North American Rockwell for the entire 1967 fiscal year ending September 30 will be distributed in December, and financial results for the same period will be announced as soon as available before that time.

HIGHLIGHTS

Nine Months Ended June 30

	1967	1966
Sales	\$1,829,827,000	\$2,081,143,000
Net income	55,112,000	69,401,000
Earnings per share of common stock	2.23	2.84
Cash dividends per share of common stock	1.50	1.50

TRANSFER AGENTS—Common Stock
 Continental Illinois National Bank and Trust
 Company of Chicago
 Chicago, Illinois
 Mellon National Bank and Trust Company
 Pittsburgh, Pennsylvania
 Morgan Guaranty Trust Company of New York
 New York, New York
 National Bank of Detroit
 Detroit, Michigan
 Old Colony Trust Company
 Boston, Massachusetts
 The Royal Trust Company
 Toronto, Ontario
 Security First National Bank
 Los Angeles, California

REGISTRARS—Common Stock
 Bankers Trust Company
 New York, New York
 The First National Bank of Chicago
 Chicago, Illinois
 Manufacturers National Bank of Detroit
 Detroit, Michigan
 The National Shawmut Bank of Boston
 Boston, Massachusetts
 National Trust Company, Limited
 Toronto, Ontario
 Pittsburgh National Bank
 Pittsburgh, Pennsylvania

United California Bank
 Los Angeles, California

STOCK EXCHANGE LISTINGS—Common Stock
 (Symbol—NR)
 New York Stock Exchange
 Boston Stock Exchange
 Detroit Stock Exchange
 Midwest Stock Exchange
 Pacific Coast Stock Exchange
 The Pittsburgh Stock Exchange
 The Toronto Stock Exchange

TRANSFER AGENTS—Series A Preferred Stock
 Morgan Guaranty Trust Company of New York
 New York, New York
 Old Colony Trust Company
 Boston, Massachusetts

REGISTRARS—Series A Preferred Stock
 Bankers Trust Company
 New York, New York
 The National Shawmut Bank of Boston
 Boston, Massachusetts

STOCK EXCHANGE LISTINGS—Series A
 Preferred Stock (Symbol—NR Pr)
 New York Stock Exchange
 Boston Stock Exchange

NORTH AMERICAN ROCKWELL CORPORATION and Consolidated Subsidiaries

STATISTICAL REVIEW

Nine Months Ended June 30

OPERATING RESULTS	1967	1966
Sales	\$1,829,827,000	\$2,081,143,000
Income before income taxes	103,351,000	131,943,000
Provision for income taxes	48,239,000	62,542,000
Net income	55,112,000	69,401,000
Earnings per share of common stock	2.23	2.84
Cash dividends per share of common stock **	1.50	1.50

DISTRIBUTION OF SALES	1967	1966
Aerospace and Systems Group		
(by divisions):		
Atomics International	\$ 26,622,000	\$ 32,076,000
Autonetics	350,304,000	318,640,000
Columbus	94,996,000	138,336,000
Los Angeles	136,904,000	147,212,000
Rocketdyne	192,376,000	253,824,000
Space	472,423,000	625,778,000
Other	11,483,000	9,275,000
Commercial Products Group		
(by principal markets):		
Trucks, trailers, and buses	214,006,000	197,339,000
Passenger cars	99,111,000	113,146,000
Textile machinery	61,906,000	70,932,000
Agriculture	39,684,000	40,818,000
Aircraft	31,224,000	34,495,000
Construction	20,223,000	18,298,000
Other industrial products	78,565,000	80,974,000
Total	<u>\$1,829,827,000</u>	<u>\$2,081,143,000</u>

* Combines North American Aviation, Inc. on the basis of a year ended September 30 with Rockwell-Standard Corporation and Draper Corporation on the basis of a year ended December 31.

** Based on historical cash dividends of North American Aviation, Inc., adjusted for two-for-five stock distribution immediately preceding the merger.

*Fiscal Year **

	1966	1965	1964	1963	1962
	\$ 2,772,041,000	\$ 2,625,029,000	\$ 2,690,467,000	\$ 2,316,094,000	\$ 2,050,340,000
	177,314,000	162,445,000	158,679,000	133,396,000	120,563,000
	83,107,000	77,735,000	77,163,000	66,749,000	64,332,000
	94,207,000	84,710,000	81,516,000	66,647,000	56,231,000
	3.86	3.44	3.28	2.71	2.29
	2.00	2.00	1.71	1.43	1.43

1966

GENERAL STATISTICS at June 30, 1967

\$ 40,599,000	Current assets	\$ 774,809,000
431,454,000	Current liabilities	404,323,000
163,667,000	Working capital	370,486,000
201,601,000	Current ratio	1.92
332,005,000	Shares of stock outstanding	
840,870,000	Preferred	633,548
13,586,000	Common	23,684,247
275,422,000	Stockholders' equity	\$ 617,819,000
136,959,000	Per share of common stock	23.41
90,031,000	Number of stockholders	
54,476,000	Preferred	5,527
52,922,000	Common	96,989
25,386,000	Number of employees	113,700
113,063,000		
<u>\$ 2,772,041,000</u>		

NORTH AMERICAN ROCKWELL CORPORATION and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET June 30, 1967

ASSETS

CURRENT ASSETS:

Cash		\$ 52,289,000
Marketable securities—at cost, which approximates market		31,346,000
Receivables—less allowances		305,052,000
Inventories— at lower of cost or market, less progress payments		377,668,000
Prepaid expenses		<u>8,454,000</u>
Total current assets		774,809,000

INVESTMENTS, ETC.:

Investments in and advances to uncon- solidated subsidiaries—at cost, less allowances	\$ 23,548,000	
Other investments and miscellaneous receivables	<u>21,788,000</u>	
Total investments, etc.		45,336,000

PROPERTY:

Land, buildings, equipment, etc.—at cost	656,142,000	
Less accumulated depreciation and amortization	<u>366,979,000</u>	
Net property		289,163,000

INTANGIBLES AND DEFERRED CHARGES:

Intangible resulting from acquisitions	9,848,000	
Patents—at cost, less amortization	5,003,000	
Deferred charges	<u>3,251,000</u>	
Total intangibles and deferred charges		<u>18,102,000</u>
TOTAL		<u>\$1,127,410,000</u>

LIABILITIES

CURRENT LIABILITIES:

Notes payable to banks	\$ 142,219,000
Accounts payable, accrued salaries and wages, etc.	244,062,000
United States and foreign income taxes	12,122,000
Dividends payable	<u>5,920,000</u>
Total current liabilities	404,323,000

LONG-TERM DEBT 102,402,000

MINORITY INTEREST IN SUBSIDIARY COMPANY 2,866,000

STOCKHOLDERS' EQUITY:

Capital stock:

Preferred stock, without par value— authorized, 4,000,000 shares; outstanding, 633,548 shares desig- nated as \$4.75 Convertible, Series A (entitled to \$100 per share, or \$63,354,800, in liquidation)	\$ 1,568,000
Common stock, \$1 par value— authorized, 40,000,000 shares; held in treasury, 325,527 shares; outstanding, 23,684,247 shares	23,684,000
Additional capital	124,623,000
Retained earnings	<u>467,944,000</u>
Total stockholders' equity	<u>617,819,000</u>

TOTAL \$1,127,410,000

NORTH AMERICAN ROCKWELL CORPORATION and Consolidated Subsidiaries

STATEMENT OF CONSOLIDATED INCOME

Nine Months Ended June 30

	1967	1966
SALES AND OTHER INCOME:		
Sales	\$1,829,827,000	\$2,081,143,000
Other income	<u>6,111,000</u>	<u>6,055,000</u>
Total	<u>1,835,938,000</u>	<u>2,087,198,000</u>
COSTS AND EXPENSES:		
Cost of sales and other operating charges	1,723,762,000	1,950,106,000
Interest	8,008,000	3,432,000
Minority interests	817,000	1,717,000
Provision for income taxes	<u>48,239,000</u>	<u>62,542,000</u>
Total	<u>1,780,826,000</u>	<u>2,017,797,000</u>
NET INCOME	<u>\$ 55,112,000</u>	<u>\$ 69,401,000</u>
EARNINGS PER SHARE OF COMMON STOCK*	\$ 2.23	\$ 2.84
PRO FORMA EARNINGS PER SHARE OF COMMON STOCK— Assuming full conversion of preferred stock and convertible debentures**	2.13	2.71

* Based upon the average number of shares of common stock outstanding during each period (after giving retroactive effect to the common shares issued in September 1967 referred to in Note 1) and after recognition of preferred dividend requirements of \$2,257,000 in each period.

** Based upon the assumption that the preferred stock and 4% convertible debentures had been converted at conversion rates currently in effect into shares of common stock (reflecting the average number of shares issuable on conversion of 2,654,757 in 1967 and 2,109,288 in 1966) and eliminating the preferred dividend requirements and the interest referable to the convertible debentures (less applicable income tax).

NOTES TO FINANCIAL STATEMENTS

1. BASIS OF FINANCIAL STATEMENTS

North American Rockwell Corporation (the Company) is the continuing corporation after the merger of North American Aviation, Inc. and Rockwell-Standard Corporation on September 22, 1967. This merger and the merger of Rockwell-Standard and Draper Corporation on June 30, 1967 have been accounted for as poolings of interests, except that 23.18% of the common stock of Draper acquired for cash has been accounted for as a purchase.

The accompanying consolidated financial statements represent the combination of the unaudited interim financial statements of the merged companies, after giving retroactive effect to shares of capital stock issued in September 1967, as follows: (a) 633,548 shares of preferred stock for the same number of Rockwell-Standard preferred shares exchanged for 1,900,643 shares of outstanding common stock of Draper held by stockholders other than Rockwell-Standard; (b) 3,382,792 shares of common stock in connection with the distribution of two additional shares thereof for each five shares of North American Aviation capital stock outstanding; and (c) 12,170,003 shares of common stock in exchange for the same number of shares of common stock of Rockwell-Standard (including conversion of 325,527 shares of treasury stock of Rockwell-Standard into 325,527 shares of treasury stock). Dividends received by Rockwell-Standard from Draper (and the related income tax provisions) and preacquisition earnings applicable to Draper shares purchased for cash have been eliminated. No effect has been given to estimated expenses of \$1,000,000 incurred in connection with the mergers which will be charged against additional capital, nor to minor changes in the number of shares of common stock outstanding resulting from the exercise of stock options subsequent to June 30, 1967.

The consolidated financial statements include the accounts of the Company and all significant subsidiaries. The Company's investments in unconsolidated subsidiaries at June 30, 1967 were not materially different from its equity in the net assets of such subsidiaries at that date.

In September 1967, Rockwell-Standard entered into arrangements to dispose of its Jet Commander executive jet aircraft. The results of such operations have not been material in relation to the consolidated results of operations of the companies.

These interim statements do not include certain supplemental information regarding pension plans, renegotiation, lease commitments, inventories, intangibles, and other matters customarily presented only at year end. The Company expects to include such information in its annual report for the fiscal year ending September 30, 1967.

2. LONG-TERM DEBT

Long-term debt at June 30, 1967 consisted of the following:

5½% Sinking Fund Debentures due February 15, 1991	\$ 50,000,000
4¼% Convertible Subordinated Debentures due February 15, 1991	50,000,000
Other	2,402,000
Total	<u>\$102,402,000</u>

The indentures to the 5½% Sinking Fund Debentures and the 4¼% Convertible Subordinated Debentures contain restrictions on the payment of dividends and acquisition of treasury stock. Retained earnings not so restricted amounted to approximately \$66,000,000 at June 30, 1967.

The indenture to the Sinking Fund Debentures requires the payment into a Sinking Fund of an amount sufficient to retire \$2,500,000 principal amount of Debentures annually starting February 15, 1972. The indenture to the Convertible Subordinated Debentures requires the payment into a Sinking Fund of an amount sufficient to redeem annually, starting February 15, 1977, 6¾% of the principal amount of Debentures outstanding February 15, 1976. The Convertible Subordinated Debentures are convertible on the basis (subject to adjustment under certain conditions) of \$46.00 principal amount of Debentures for one share of common stock.

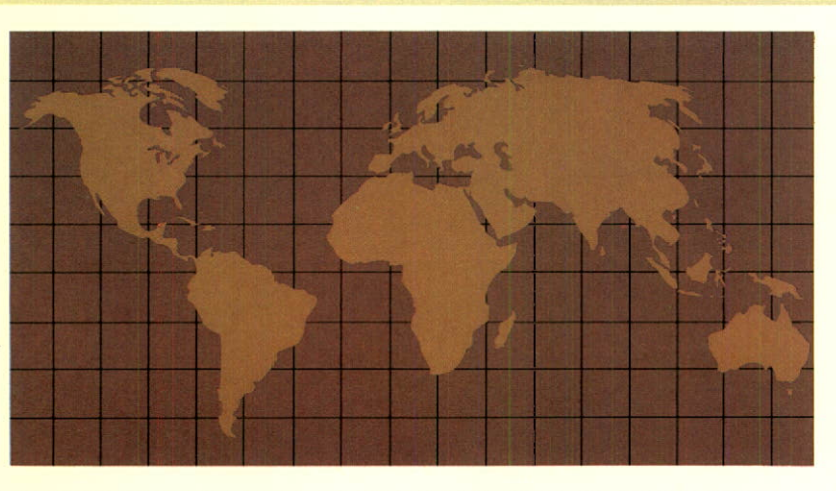
3. PREFERRED STOCK

The \$1,568,000 at which the \$4.75 Convertible Preferred Stock, Series A (without par value) is stated in the accompanying consolidated balance sheet represents the aggregate par value of the number of shares of common stock into which the preferred stock is convertible. The preferred stock is convertible at an assigned value of \$100 per share into common stock at a conversion price of \$40.41 per share of common stock. The preferred stock is redeemable after June 30, 1972 at an initial redemption price of \$104.75 a share which declines to \$100 a share after June 30, 1982. Holders of preferred stock are entitled to cumulative dividends at the annual rate of \$4.75 a share when and as declared. Such dividends shall be paid on preferred stock before any dividends are paid on common stock.

4. COMMON STOCK

Shares of common stock reserved for issuance at June 30, 1967 were as follows:

For conversion of preferred stock (\$40.41 a share)	1,567,800
For conversion of convertible debentures (\$46.00 a share)	1,086,957
For employee stock option plans: Available for granting future options Options outstanding (\$18.53 to \$36.75 a share)	1,000,000 420,993
For acquisition of assets and business of Luber-finer Incorporated	83,175
Total	<u>4,158,925</u>



DIVISIONS AND FACILITIES

NORTH AMERICAN ROCKWELL CORPORATION

General Offices, 2300 East Imperial Highway, El Segundo, California 90245

AEROSPACE AND SYSTEMS GROUP

Executive Offices

1700 East Imperial Highway
El Segundo, California 90245
John R. Moore, President

Atomics International Division

8900 De Soto Avenue
Canoga Park, California 91304
John J. Flaherty, President
Facilities at Canoga Park and
Chatsworth, California.

Autonetics Division

3370 Miraloma Avenue
Anaheim, California 92803
S. F. Eyestone, President
Principal plants and installations at
Anaheim, Compton, El Segundo,
Fullerton, Long Beach, and
Los Angeles, California.

Columbus Division

4300 East Fifth Avenue
Columbus, Ohio 43216
W. H. Yahn, President

Los Angeles Division

5701 West Imperial Highway
Los Angeles, California 90009
W. E. Swanson, President

Plants and facilities at Los Angeles,
Edwards, El Segundo, El Toro,
Hawthorne, and Palmdale,
California.

Rocketdyne Division

6633 Canoga Avenue
Canoga Park, California 91304
S. K. Hoffman, President

Plants and facilities at Canoga Park,
Chatsworth, Edwards, El Segundo,
and Van Nuys, California; Neosho,
Missouri; New Orleans, Louisiana;
McGregor, Texas; and Reno, Nevada.

Space Division

12214 Lakewood Boulevard
Downey, California 90241
William B. Bergen, President

Principal plants and installations at
Downey, Long Beach, and Seal
Beach, California; Bay St. Louis,
Mississippi; Cocoa Beach, Florida;
Houston, Texas; New Orleans,
Louisiana; Tulsa, Oklahoma; and
White Sands, New Mexico.

Other Operations

Science Center
Thousand Oaks, California
McAlester Plant
McAlester, Oklahoma
West Virginia Plant
Princeton, West Virginia
Navan Incorporated
El Segundo, California
The Cottonwood Company
Reno, Nevada

COMMERCIAL PRODUCTS GROUP

Executive Offices

Rockwell-Standard Building
Pittsburgh, Pennsylvania 15222
W. F. Rockwell, Jr., President

Rockwell-Standard Divisions

Clifford at Bagley
Detroit, Michigan 48231
F. W. Parker, Jr., President

Automotive Products Divisions

Lyon Divisions

Bracebridge, Parry Sound, and
Windsor, Ontario; Grenada,
Mississippi; and Memphis,
Tennessee

Bumper, Seating and Leaf Spring Divisions

Chicago, Illinois; Gary, Indiana;
New Castle, Pennsylvania; and
Newton, Falls, Ohio

Brake, Universal Joint and Mechanical Spring Divisions

Allegan, Ann Arbor, and Chelsea,
Michigan; Flora and Logansport,
Indiana; Ashtabula, Ohio; and
Fairfield, Iowa

Transmission and Axle Divisions

Detroit, Michigan; Kenton and

Newark, Ohio; Knox, Indiana;
New Castle, Pennsylvania; Oshkosh,
Wisconsin; Tilbury, Ontario; and
Winchester, Kentucky

Ontario Steel Products Company, Limited

Chatham, Gananoque, Milton,
Oshawa, and Toronto, Ontario;
Clayton, New York; and Lacolle,
Quebec

Industrial Divisions

Rockwell-Standard Building
Pittsburgh, Pennsylvania 15222
Hamilton Herman, President

Machinery Divisions

Carver Cotton Gin Division
East Bridgewater, Massachusetts

Murray Gin Division
Dallas, Texas

Industrial Products Divisions

Air-Maze Division
Cleveland, Ohio

Compressed Steel Shafting Co.
Readville, Massachusetts

Boston Gear Division
Quincy, Massachusetts

Aero Commander Division

Rockwell-Standard Building
Pittsburgh, Pennsylvania 15222
George T. Humphrey, President

Plants at Albany, Georgia; Bethany,
Oklahoma; and Olney, Texas.

Draper Division

Hopedale, Massachusetts 01747
W. K. Child, President

Branch plants at Beebe River, New
Hampshire; East Spartanburg,
South Carolina; and Swannanoa,
North Carolina.

Grafton & Upton Railroad
Hopedale, Massachusetts

Heim Universal Corporation
Fairfield, Connecticut

Hopedale Coal & Ice
Hopedale, Massachusetts

Marion, Industries Inc.
Marion, South Carolina

Pak-All Products, Inc.
Providence, Rhode Island

Stone Conveyor Company, Inc.
Honeoye, New York

Wildman Jacquard Co.
Norristown, Pennsylvania

Worcester Moulded Plastics
Company
Worcester, Massachusetts

Research Facilities

Birmingham, Michigan; Cleveland,
Ohio; and Norman, Oklahoma

INTERNATIONAL OPERATIONS

Argentina

Igarreta, S.A. (Licensee)
Front drive axles and transfer cases

Australia

I.E.L.—Rockwell Pty., Ltd. (Affiliate)
Axles, brakes, transfer cases

Brazil

Braseixos Rockwell, S.A. (Affiliate)
Axles
Brasprensas Rockwell, S.A. (Affiliate)
Metal stampings
Companhia Teperman de Estofamentos
(Affiliate)
Automotive seating

Canada

Boston Gear Works of Canada, Ltd.
(Subsidiary)
Sales and service
Canadian Motor Lamp Company, Ltd.
(Subsidiary)
Auto light assemblies, wheel covers
Ontario Steel Products Company, Ltd.
(Subsidiary)
Springs, torsion bars, bumpers, plastics
Rockwell-Standard Corporation of Canada,
Ltd. (Subsidiary)
Axles and brakes

Chile

Componentes Automotrices Rockwell
Standard y Cia. Ltda. (Affiliate)
Leaf and coil springs

Colombia

Fundicion Y Repuestos, S.A. (Licensee)
Fly shuttle looms
Industrias Madereras Asociadas, S.A.
(Affiliate)
Loom accessories

Federal Republic of Germany

Aero Commander, GmbH (Subsidiary)
Distributor of Aero Commander aircraft
INTERATOM, Internationale
Atomreaktorbau GmbH (Affiliate)
Atomic power plants
Zahnradfabrik Friedrichschafen, A.G.
(Licensee)
Axles

Great Britain

The Bramber Engineering Company Ltd.
(Affiliate)
Taper-Leaf springs
Centrax Limited (Licensee)
Axles and Stopmaster brakes

Locker Industries, Ltd. (Licensee)
Air-Maze filters

India

Cooper Engineering, Ltd. (Licensee)
Fly shuttle looms
The Premier Automobiles, Ltd. (Licensee)
Axles, brakes, and transfer cases

Japan

Ishikawa Seisakusho, Ltd. (Licensee)
Shuttleless looms
NHK Spring Co., Ltd. (Affiliate)
Automotive seating

Mexico

Diesel Nacional, S.A. (Licensee)
Axles
La Cuna Encantada, S.A. (Licensee)
Precision springs
Lanzaderas Vidal, S.A. (Affiliate)
Loom accessories
Murray, S.A. de C. V. (Subsidiary)
Cotton gins — sales and service
Siderurgica Nacional, S.A. (Licensee)
Fly shuttle looms

Peru

Industria Peruana del Acero, S.A. (Licensee)
Suspension springs

Portugal

Moligal, Lda. (Affiliate)
Automotive seating

Republic of South Africa

Rockwell-Ruberowen (Pty.), Ltd. (Affiliate)
Axles and metal stampings

Spain

Rockwell-Cerdans, S.A. (Subsidiary)
Looms

Switzerland

George Fischer Ltd. (Licensee)
Shuttleless looms
Rockwell-Standard A.G. (Subsidiary)

United States

North American Aviation International, Inc.
(Subsidiary)
El Segundo, California
European Central Office,
Brussels, Belgium

Venezuela

Metalurgica Carabobo, S.A. (Affiliate)
Suspension springs and bumpers

NR

September 22, 1967

For additional copies of this brochure, please write to: North American Rockwell Corporation,
General Offices, 2300 East Imperial Highway, El Segundo, California,
90245, c/o Financial Services.

