GWU’s Net Income Takes Sharp Plunge

Great Western United Corp. (GWU) reported net income of $1,485,000 for the year ended May 31, down from $33,456,000 the previous year.

Although the earnings dropped, revenues advanced to $515.3 million from $508.4 million. Most of GWU’s revenues are derived from sales of refined sugar by Great Western Sugar Co. of Denver.

Revenues of the sugar company totaled $490.4 million for the fiscal year, down slightly from the year before.

GWU reported a fiscal-year loss of $29.6 million for Western Investment Co., its subsidiary that trades in commodity futures. The year before, this subsidiary had posted a $17-million gain on its commodity transactions.

Revenues of Shakey’s, Inc., GWU’s pizza parlor subsidiary, were $24.3 million for the year, up from $17 million the year before.

After provision for preferred stock dividends, GWU had a fiscal-year net loss of $2,054,000 or 96 cents per common share. This was against earnings of $48,997,000 or $3.23 per share, after the provision, the year before.

The company had a pretax loss from operations of $797,000 for fiscal 1976. This was against pretax earnings of $122,703,000 from operations the year before, when GWU benefited from record sugar prices.

Great Western Sugar’s revenues totaled $123 million for the quarter, up from $108 million a year earlier, and Shakey’s revenues were $61.1 million, up from $55.5 million.

Impel Corp., GWU’s oil and gas exploration subsidiary formed in 1975, had expenses of $6.7 million in fiscal 1976 and no revenue. GWU’s land development operations, which the company plans to dispose of, had a profit of $1.6 million for the fiscal year, compared with a net loss of $5.4 million the year before.

FOR THE FOURTH quarter ended May 31, GWU reported earnings of $1,217,000, up from $1,055,000 a year earlier. Revenues were $129.2 million, up from $113.5 million.

After provision for preferred stock dividends, fourth-quarter earnings were $355,000 against a net loss of $7,000 a year earlier.

GWU said Western Investment Co. had a fourth-quarter loss of $3.4 million on its commodity transactions. However, the subsidiary “had unrealized gains of approximately $24 million on commodity transactions which were not recorded at year end which have since been fully hedged,” GWU reported.

Western Investment Co. was formed in early 1975, soon after GWU was taken over by brothers Herbert and Bunker Hunt of Dallas, Tex. The Hunts gained control by means of a $27.50-per-share tender offer and now own more than 60 per cent of the outstanding common stock of the company.

GWU common stock closed Monday at $21.75 a share on the New York Stock Exchange, down $1 from Friday’s close.

In midday trading Tuesday, the stock was $28.50 a share.