Gulf & Western says profit rose 50% in 1st period

Gulf & Western investments in other concerns contributed only about 3% to its fiscal 1974 net, Mr. Bluhdorn stated. "Ultimately," he said, "our policy is to sharply reduce the number of investments in other concerns." During fiscal 1974, he added, G&W eliminated "six or seven" companies from its investment portfolio. And by the end of fiscal 1973, he said, G&W may retain only about "four or five" investments in other companies, selected for long-term earnings potential. He didn't say how many such companies are currently in the G&W portfolio.

Mr. Bluhdorn said if interest rates decline, its financial services group, mainly Associates First Capital Corp., should benefit. This group's operating profit in fiscal 1974 declined 58%.

Leisure-Time Group's Decline

Its leisure-time group, largely Paramount Pictures Corp., had a fiscal 1974 decline in operating profit of 52% from fiscal 1973 when the movie, "The Godfather," made a high contribution to profit. Gulf & Western is hoping "The Godfather II," which makes its debut in a few months, will boost this group's fiscal 1975 profit.

Gulf & Western's six other groups made major gains in operating profit in fiscal 1974. Its natural-resources group, primarily New Jersey Zinc Co., had a 223% leap in operating income on a 36% sales increase. Record zinc prices and lower U.S. zinc production capacity at other concerns contributed.

Sugar prices, Mr. Bluhdorn said, also continue to rise. These prices, plus "unprecedented" worldwide demand for sugar contributed to the 61% rise in operating profit and 33% increase in sales of G&W's food and agricultural products group in fiscal 1974.