

MOODY'S

INDUSTRIALS

JOHN MOODY

1951

AMERICAN AND FOREIGN

After tax certificates to be used for liquidation of tax liability: 1948, \$28,241; 1947, \$170,348; 1946, \$219,995; 1945, \$194,870; 1944, \$122,610.

In 1944 dividends payable to affiliates include \$79,600 dividends payable carried as current thereafter.

FINANCIAL & OPERATING DATA

Statistical Record	1950	1949	1948	1947	1946	1945	1944
Earned per share—preferred	\$46.24	\$37.22	\$33.08	\$36.91	\$63.40	\$47.88	\$45.48
—common	\$2.96	\$2.34	\$2.05	\$2.32	\$4.11	\$2.74	\$2.59
Dividends per share—preferred	\$3.50	\$3.50	\$3.50	\$3.50	\$5.26 1/4	\$4.50	\$4.50
—common	\$1.70	\$1.45	\$2.00	\$2.00	\$1.80	\$1.50	\$1.00
Price range—preferred	96 3/4-89 3/4	92-82	91 1/2-79 1/2	102-83	99 1/4-98 1/4	115 1/2-111 1/2	116-110
—common	24 1/2-20	22 1/2-17 1/4	20 1/2-19 1/2	37 1/2-23 1/4	55-34 1/2	49 1/2-28	33 1/2-27 1/4
Net tangible assets per share—pfd.	\$487.01	\$467.78	\$454.52	\$451.23	\$444.58	\$453.78	\$373.93
—com.	\$26.82	\$25.49	\$24.57	\$24.34	\$23.88	\$22.37	\$17.32
Number of shares—preferred	220,000	220,000	220,000	220,000	220,000	200,000	200,000
—common	3,174,527	3,174,527	3,174,527	3,174,527	3,174,527	3,163,277	3,163,277

Financial & Operating Ratios

Current assets—current liabilities	3.68	5.44	4.27	3.09	2.57	3.72	3.29
% cash & securities to current assets	14.81	20.67	16.39	13.94	11.52	17.44	18.81
% inventory to current assets	62.33	60.84	66.20	67.30	73.53	64.90	64.44
% net current assets to net worth	70.42	70.49	69.24	66.78	65.98	68.06	66.50
% property depreciated	48.30	48.83	50.79	49.78	48.60	52.31	49.52
% annual deprec. to gross property	4.73	5.50	4.76	5.32	4.69	5.56	4.72

Capitalization:

% preferred stock	20.47	21.27	21.86	21.66	21.83	21.33	25.70
% common stock & surplus	79.53	78.73	78.14	78.34	78.17	78.67	74.30
Sales+inventory	4.64	4.84	4.71	4.09	3.27	4.58	4.94
Sales+receivables	12.70	15.91	17.90	14.68	16.09	18.86	19.02
% sales to net property	1,156.11	1,067.99	1,156.66	1,084.83	1,022.18	1,174.58	936.29
% sales to total assets	221.04	218.11	231.33	205.15	182.22	220.59	208.64
% net income to total assets	7.46	6.79	5.94	6.03	9.73	8.13	8.01
% net income to net worth	9.47	7.92	7.23	7.99	13.87	10.21	11.69
Preferred dividend times earned	13.21	10.64	9.45	10.54	15.61	10.64	10.11

Analysis of Operations

	1950	1949	1948	1947	1946	1945	1944
Net sales	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Cost of goods sold	76.43	77.71	79.05	77.45	75.60	75.42	77.43
Selling, general & adm. expense	17.86	18.13	17.79	18.93	17.08	15.68	13.73
Operating profit	5.71	4.16	3.16	3.62	7.32	8.90	8.83
Other income	0.90	0.96	1.29	1.25	1.39	0.94	1.00
Gross income	6.61	5.12	4.45	4.87	8.71	9.84	9.83
Income deductions	0.29	0.51	0.60	0.64	0.38	0.34	0.25
Net income before inc. taxes, etc.	6.32	4.61	3.85	4.23	8.33	9.00	9.58
Income taxes & minority interest	2.95	1.49	1.29	1.29	2.99	5.32	5.74
Net income	3.37	3.11	2.56	2.94	5.34	3.68	3.84

After liquidation value of \$100 per preferred share.

Represents \$3.50 preferred issued in Oct., 1946; prior years, \$4.50 preferred. Dividends for 1946 include \$4.38 1/2 on \$4.50 stock and 87 1/2 cents on \$3.50 stock.

CAPITAL STOCK

1. Standard Brands, Inc. \$3.50 cumulative preferred; no par:
AUTHORIZED—All series, 350,000 shares; outstanding, this series, 220,000 shares; no par (stated value \$100).
PREFERENCES—Has preference for assets and dividends.

DIVIDEND RIGHTS—Entitled to cumulative dividends of \$3.50 per share annually payable quarterly Mar. 15, etc. to stock of record about Feb. 28, etc., cumulative from Sept. 15, 1946.

DIVIDEND RECORD—Initial dividend of 87 1/2 cents paid Dec. 16, 1946; regularly thereafter.

VOTING RIGHTS—Has one vote per share, and in addition whenever equivalent of annual dividend is in arrears preferred, voting separately as a class, is entitled to elect two directors.

Consent of a majority of preferred necessary to (1) amend provisions to affect rights of preferred adversely; (2) increase authorized preferred; (3) create or increase authorized amount of equal stock or reclassify any stock to rank equal to preferred or any security convertible into preferred or equal stock; (4) dissolve or liquidate, or dispose of (except to subsidiaries) substantially all assets; or (5)

After reserve for amortization: 1950, \$38,464; 1949, \$28,848; 1948, \$19,232; 1947, \$26,079; 1946, \$8,232.

Note: Current items and deferred charges in foreign countries have been converted from foreign currencies into U. S. dollars at rates of exchange at end of year. Plant and equip-

ment (and related reserves) have been included at amounts which reflect their approximate U. S. dollar equivalent at time of acquisition or construction. Transactions involving foreign exchange have been generally subject to controls imposed by the various foreign governments.

merge or consolidate, if thereby any class of stock would rank equal to preferred.

Consent of 66 2/3% of preferred necessary to (1) create or increase authorized amount of any stock or any security convertible into stock prior to preferred; or (2) merge or consolidate, if thereby any class of stock would rank prior to preferred.

LIQUIDATION RIGHTS—In liquidation, entitled to \$100 per share if involuntary and to redemption price if voluntary, plus accrued dividends in either case.

PREEMPTIVE RIGHTS—None.

CALLABLE—As a whole or in part by lot, on not less than 30 nor more than 60 days' mailed or published notice at any time to each Sept. 15, incl., as follows (per share plus dividends): 1950—101 1951—100.50 1951—100

After Sept. 15, 1951.

ADDITIONAL PREFERRED—May be issued in series with dividend rate, redemption and liquidation prices and other provisions as fixed by directors subject to prescribed limitations.

PURPOSE—Offered on basis of 1.1 shares \$3.50 cum. preferred in exchange for each \$4.50 preferred share. Proceeds from sale of unexchanged shares used to redeem unexchanged \$4.50 preferred.

LISTED—On New York Stock Exchange.

TRANSFER AND DIVIDEND DISBURSING AGENT—J. P. Morgan & Co., Inc., New York.

REGISTRAR—Central Hanover Bank & Trust Co., New York.

OFFERED—52,228 shares (the unexchanged portion of 220,000 shares offered to \$4.50 pre-

ferred holders) offered at \$98 per share Oct. 30, 1946 by Dillon, Read & Co., Inc. and Blyth & Co., Inc., New York, and associates.

2. Standard Brands, Inc. common; no par:
AUTHORIZED—5,000,000 shares (reduced from 20,000,000 shares, Sept. 9, 1943); outstanding, 3,174,527 shares; no par (no par shares exchanged 1-for-4 in Sept., 1943).

Dividend Record
 (On no par shares)

1929	\$0.37 1/2	1930	\$1.50	1931-32	\$1.20
1933-34	1.00	1935	0.95	1936	1.05
1937	0.80	1938	0.62 1/2	1939	0.47 1/2
1940	0.40	1941	0.50	1942	0.10
1943	0.10				

(On no par shares after 1-for-4 exchange)

1943	0.50	1944	1.00	1945	1.50
1946	1.50	1947-48	2.00	1949	1.45
1950	1.70	1951	0.60		

To June 16

Dividends payable quarterly Mar. 15, etc. to stock of record about Feb. 15, etc.

VOTING RIGHTS—One vote per share; see also voting provisions of preferred stock (No. 1).

PREEMPTIVE RIGHTS—None.

LISTED—On New York Stock Exchange; unlisted trading privileges on Boston, Midwest Cincinnati, Detroit, Los Angeles, Philadelphia-Baltimore, Pittsburgh and San Francisco Stock Exchanges.

TRANSFER AGENT AND DIVIDEND DISBURSING AGENT—J. P. Morgan & Co., Inc., New York.

REGISTRAR—Guaranty Trust Co., New York.

CAPITAL STRUCTURE AMERICAN HOME PRODUCTS CORPORATION

FUNDED DEBT

Issue	Rating	Amount Outstanding	Times Charges Earned	Interest Dates	Call Price	Price Range
1. Debenture 3s, 1965	---	\$13,370,000	1950 1949 53.13 47.39	J & J 1	---	1950 1932-50 2-1-2

CAPITAL STOCK

Issue	Par Value	Amount Outstanding	Earned per Sh.	Divs. per Sh.	Call Price	Price Range
1. Common	\$1	\$3,871,735 shs.	1950 1949 \$3.06 \$2.77	1950 1949 \$2.00 \$1.70	---	1950 1932-50 34 3/4-27 [35 3/8-20 7/8]

See description below. Privately placed. Range since 3-for-1 split in 1946; range from 1932 and to the split in 1946, 130-24 1/4. In cludes 37,450 shares held by company for account of certain executives under stock purchase plan. On average number of shares: 1950, \$3.08; 1949, \$2.77.

HISTORY

Incorporated in Delaware, Feb. 4, 1926 as a holding company to acquire the entire capital stocks of Wyeth Chemical Co. (incorporated in Delaware in 1915 to acquire a New York company of the same name formed in 1909) and affiliated companies, including The Larned Co. (incorporated in 1924 to acquire for over \$1,000,000 Hill's Cascara Quinine which had been marketed by W. H. Hill Co. for over thirty years) and Deshell Laboratories, Inc. (formed in 1923 to acquire a company formed in 1922 to manufacture Petro-lagar), and the business of Edward Wesley & Co., a co-partnership (formed in 1915 to manufacture Freezezone).

For details of acquisitions, etc. prior to 1949, see Moody's 1949 Industrial Manual.

On Oct. 31, 1950, company sold entire capital stock of Harmon Color Works, Inc.

SUBSIDIARIES

Functions chiefly as a holding and management company. As of Dec. 31, 1950, owned 100% of the voting control of the following:

- Name, place of incorporation and products: American Home Foods, Inc. (N. J.)—Baby foods, baking mixes, coffee products, spaghetti dinners, flavoring extracts.
- Harold H. Clapp Co., Ltd. (Canada)
- American Home Products Corp. (Canada), Ltd.—Inactive.
- Ayerst, McKenna & Harrison, Ltd., Canada—Premarin, Emmenin, Supplamin and other Biological, Hormone, Vitamin and Pharmaceutical products.
- Ayerst, McKenna & Harrison, Ltd., N. Y.—Biological, Hormone, Vitamin and other pharmaceutical products.
- Belle Center Creamery & Cheese Co., O.—Cheese, butter and other dairy products and by-products.

- Boyle-Midway, Inc., Del.—3-in-One Oil, Plastic Wood, Old English floor waxes and polishes, Aero Wax, Wizard Mops, insecticides and cleaning preparations, Fly Ded.
- A. S. Boyle Co., Ltd., Eng.—3-in-One Oil.
- The A. S. Boyle Co., Pty., Ltd., Australia
- Boyle Midway (Canada) Ltd. (Can.)—Floor waxes, polishes, insecticides.
- Canadian Home Products Corp., Canada—Inactive.
- Fort Dodge Laboratories, Inc. (Del.)—Veterinary pharmaceuticals.
- Home Products de Mexico, Inc. Del.—Packaged drugs, cosmetics, household items.
- Home Products, Inc., Del.—Packaged drugs, cosmetics, household items.
- Home Products International, Ltd., N. Y.—Export business of packaged drugs, foods, household products and cosmetics.
- Laboratorius Kolana, C. A. of San Martin, Venezuela—Food and packaged drug.

International Chemical Co., Ltd., Eng.—Bisurated Magnesia and other proprietaries. Bismag. Ltd. Eng.—Inactive.

Kolynos (Sales) Ltd., Eng.—Inactive.

Ives-Cameron Co., Inc. N. Y.—Vitamin products, pharmaceuticals and drugs.

Kolynos (N. Z.) Ltd., N. Z.—Kolynos dental cream, Bisurated Magnesia, etc.

Kolynos S. A. (Comercial e Industrial), Argentina

Louis Philippe, Inc., N. Y.—Inactive.

Laboratorios Americanos S. A., Uruguay

Laboratorios Anacol Limitada, Brazil

Laboratorios Wyeth, Inc., Del.—Pharmaceutical and nutritional products.

John F. Murray Advertising Agency, Inc., N. Y.—Advertising.

Petrolagar Laboratories, Ltd. (Eng.)—Petrolagar

Veeco Brands, Inc., Ill.—Sales organization.

Whitehall Pharmacal (Canada) Ltd.—Sales organization.

Whitehall Pharmacal Co., Ill.—Anacin, Bisdol, Kolynos toothpaste and powder, Freezone, Hair Groom, Hill's Cold Tablets, Neet, Mystic, Edna Wallace Hopper, Louis Philippe, Jo-cur.

Whitehall Products S. A. (Pty.) Ltd., Union of South Africa

Wyeth, Inc., Del.—Pharmaceuticals, biologicals and nutritional.

Laboratorios Wyeth, C. A., Venezuela—Wyeth International, Ltd., N. Y.—Handles export business of pharmaceuticals, biologicals, chemicals, etc.

John Wyeth & Brother (Canada) Ltd.

John Wyeth & Brother, Ltd., Eng.—Petrolagar and other pharmaceuticals.

John Wyeth & Brother (N. Z.) Ltd., N. Z.—Bisdol, Anacin, etc.

John Wyeth Laboratories S. A., Argentina

Wyethical (Proprietary), Ltd., So. Africa. 275 Madison Corp., N. Y.—Office building.

Also owns 75% of voting power of one foreign subsidiary organized in Mexico, and 60% of voting control of one foreign subsidiary organized in Brazil, both of minor importance.

BUSINESS, PRODUCTS AND PROPERTIES

Business of subsidiaries is segregated into four major groups shown below. Distribution of 1950 sales (including government and foreign business was: Ethical drugs, 42%; foods, 24%; packaged drugs and cosmetics, 18%; house hold products, including colors and dyes, 16%. A fairly substantial foreign business is transacted principally in Canada, Great Britain and Latin America.

INCOME ACCOUNTS

COMPARATIVE CONSOLIDATED INCOME ACCOUNT, YEARS ENDED DEC. 31

(Taken from reports filed with Securities and Exchange Commission)

	1950	1949	1948	1947	1946	1945	1944
Sales, less discounts, returns & allow....	\$164,266,646	\$147,967,034	\$140,709,095	\$127,635,109	\$132,342,468	\$108,766,899	\$98,999,632
Cost of goods sold	83,346,036	76,775,566	80,845,043	71,858,368	74,250,801	60,234,679	54,791,736
Selling, adm. & general exp.	57,712,276	49,547,034	43,648,125	43,863,145	43,295,324	34,762,477	28,763,515
Provision for doubtful accounts	197,616	43,842	124,857	313,468	33,387	22,618	235
Other general expense	822,104	755,233	719,314	665,346	653,293	637,225	1,463,635
Operating profit	22,188,615	20,840,359	15,371,757	10,914,784	14,074,663	13,059,900	13,960,112
Comm. & royalties received							85,089
Other income	2,094,944	931,095	488,947	721,124	1,871,212	761,719	104,481
Total	24,283,559	21,771,455	15,860,704	11,635,908	15,945,875	13,821,619	14,148,682
Misc. income deduction	518,496	2,347,702	627,995	174,577	290,658	242,906	527,483
Interest paid	447,305	409,846	537,669	527,315	478,412	475,637	531,527
Balance	23,317,758	19,013,907	14,695,040	10,934,016	15,176,805	13,103,076	13,090,672
Prov. for Federal income tax	8,051,748	6,209,358				1,809,609	2,688,716
Other income taxes			5,587,872	4,309,836	6,278,884	1,687,232	1,784,061
Foreign income taxes	2,388,409	2,131,388					
Federal excess profits tax	1,033,571					2,336,798	2,502,103
Tax adjustments						866,254	619,405
Post-war adjustment reserve						578,407	363,976
Net income to surplus	11,844,029	10,673,161	9,107,169	6,624,179	8,897,921	6,824,835	5,132,410
Earned surplus begin. of year	27,673,364	23,559,798	26,936,482	25,341,155	20,653,501	18,218,805	15,579,629
Other surplus credits						170,131	2,135,159
Dividends	7,693,629	6,559,595	5,594,948	4,630,302	3,868,583	3,297,791	2,635,972
Subs. common dividends							9,362
Other surplus debits			6,888,904	398,551	341,684	262,480	1,983,059
Earned surplus end of year	\$31,823,765	\$27,673,364	\$23,559,788	\$26,936,482	\$25,341,155	\$20,653,501	\$18,218,805
SUPPLEMENTARY P. & L. DATA							
Maintenance & repairs	\$1,959,594	\$1,746,820	\$1,970,662	\$1,761,725	\$2,304,494	\$1,696,257	\$1,171,224
Depreciation	1,830,848	1,803,843	1,761,235	1,477,666	1,124,862	1,250,621	1,107,352
Taxes, other than income	2,961,572	2,052,005	1,722,557	1,687,662	1,393,954	1,488,896	1,854,035
Rents & royalties, etc.	751,256	732,241	899,064	882,871	1,073,951	1,074,176	899,577
Parent company's net income	\$3,225,409	\$12,035,098	\$10,324,450	\$5,458,566	\$7,611,827	\$2,653,312	\$2,821,593
Equity in earn. of subs. cons.	11,259,566	9,940,439	9,936,581	6,710,751	9,106,101	5,759,631	5,568,976
Dividends from subs. cons.	2,640,947	11,302,376	11,171,564	5,545,138	7,820,008	2,588,107	2,058,160

[1]Includes related portions of items shown under "Supplementary p. & l. data" below statement.

[2]Principal "other surplus credits" follow: 1945: Adjustment of prior years income taxes, net, \$170,131.

1944: Includes \$2,085,114 reserve for foreign losses—contingent, heretofore carried to cover value of net assets of subsidiaries and branches located in England, Australia and New Zealand, now restored because of favorable trend of war.

[3]Principal "other surplus debits" follow: 1948: Unamortized balance, as of Jan. 1, 1948, of goodwill, etc., acquired subsequent to Jan. 1, 1944, \$6,888,904.

1947: Amortization of goodwill, trade-marks, formulae, etc., acquired subsequent to Jan. 1, 1944, \$298,551; adjustment of intangibles acquired prior to Jan. 1, 1944, \$100,000; total, \$398,551.

Pharmaceutical, Biological, Nutritional Division:

Wyeth, Inc.—Products include: Antacids antibiotics, cardiotoxic fungicides, hormones, vitamins, laxatives and nutritional. Plants located at: Belle Center, Ohio; Marietta, West Chester and Philadelphia, Pa.; Chicago, Ill.; Mason, Mich.; Meridian, O.; Windsor, Ont.

Ayerst, McKenna & Harrison, Ltd.—Products include: Hormones, bacteriologicals, antibiotics, pharmaceuticals and prescription vitamin products. Plants located at: Montreal, Can. and Rouses Point, N. Y.

Fort Dodge Laboratories, Inc.—Products include: Veterinary biologicals, pharmaceuticals and specialties. Plants located at: Fort Dodge, Ia.; Okmulgee, Okla.

Ives-Cameron Co., Inc.—Products include: Vitamin capsules, tablets, elixirs, tablets and wafers, wheat germ oil and pharmaceuticals. Plant located at Elkhart, Ind.

Packaged Drug and Cosmetic Division:
Whitehall Pharmacal Co.—Products include: Tooth powder and paste, cold tablets, nose drops, hair preparations, analgesic tablets and cosmetics. Plants located at: Elkhart, Ind., Bergenfield, N. J., Windsor, and Toronto, Ont.

Food Division:
American Home Foods, Inc.—Divisions include: Clapp's Baby Food Division (strained baby foods, junior foods, and instant cereal); G. Washington Division (instant coffee product and broth); Duff's Baking Mix Division (gingerbread, waffle, hot muffin, devil's food spice cake and white cake mixes); Chef Boy-Ar-Dee Quality Food Division (spaghetti dinners, sauces and ravioli); Joseph Burnett Division (food flavors and colors. Plants located at Rochester, N. Y.; Hamilton, Ohio; Milton, Pa.; Morris Plains, N. J., and San Jose, Calif.

Household Products Division:
Boyle-Midway, Inc.—Products include: Waxes, polishes, insecticides, cleaners, dyes, germicides, mops, cements, lighter fluids, specialty paints. Plants located at: Atlanta, Ga.; Chicago, Ill.; Los Angeles, Calif.; Cranford, N. J.; Toronto, Ontario.

Foreign and Export Division:
Home Products International, Ltd., and Wyeth International, Ltd.—Engaged in exporting and selling of company's products in Europe, Latin America, Asia and Australasia. Plants located at London, England; Mexico City, Mexico; Dublin, Eire; Sydney, Australia; Buenos Aires, Argentina; Durban, South Africa; Auckland, New Zealand, Bombay, India; Bogota, Colombia.

MANAGEMENT

Officers

A. G. Brush, Chairman
Walter Silbersack, President
H. E. Carnes, Vice-President
Randall Nauman, Vice President
P. H. Hannum, Treasurer
John Coulbourn, Secretary
Dudley Browne, Asst. Sec. & Asst. Vice Pres.
Sherwood Waldron, Asst. Vice-Pres.
J. G. Gaisser, Comptroller
George Lesch, Asst. Comptroller
Harold Tallman, Asst. Comptroller
M. C. McGraime, Asst. Comptroller
A. W. Webersinn, Asst. Comptroller
H. E. Reinhardt, Jr., Purchasing Agent
L. J. Wagstaff, Chief Engineer
W. M. Stedman, Advertising Manager

Directors

A. H. Bergmann, Great Neck, L. I.
A. G. Brush, Garden City, N. Y.
H. E. Carnes, Tenafly, N. J.
A. H. Diebold, New York
W. O. Frarring, Chagrin Falls, O.
William Harrison, Montreal, Canada
H. S. Howard, Villanova, Pa.
Knox Ide, New York
H. S. Marston, Watch Hill, R. I.
Randall Nauman, New Rochelle, N. Y.
Walter Silbersack, Kings Point, L. I.
Irving A. Willis, Manhasset, L. I.

Annual Meeting: Last Wednesday in April at Delaware Trust Bldg., Wilmington, Del.
General Counsel: Ide & Haigney
No. of Stockholders: Dec. 31, 1950, 17,477.
No. of Employees: (incl. subsidiaries) Dec. 31, 1950, 11,063.

Executive Office: 22 East 40th Street, New York 16, N. Y.

Bonus Plan: Under plan approved by stockholders April 8, 1937 and modified Sept. 19, 1946, a bonus fund may be provided out of consolidated net profits for each calendar quarter since Jan. 1, 1937 of not in excess of 6% of that portion of net profits for each quarter applicable to dividends. No bonus fund shall be set aside in any quarter in which net profits applicable to dividends aggregate less than 20 cents per share of stock outstanding at end of quarter. Payments may be made to such employees of corporation or subsidiaries or affiliates, including officers and directors, in such amounts as directors may determine. No payments were made under above plan for years 1947, 1948, 1949 and 1950.

Benefit Payments: In 1950, company's aggregate contributions for employees insurance, annuities, etc., amounted to \$822,104 (1949, \$755,233).

1944: Represents income and excess profits taxes applicable to inventory losses charged to post-war adjustments reserve.

[1946: Includes \$1,333,690 dividends other than cash.

[1944: After deducting \$291,871 post-war excess profits tax refund and \$124,732 reductions due to carry-back features of Internal Revenue Code.

[1945: Represents reduction in 1945 income taxes by reason of deduction for tax purposes of cost of certain intangible assets abandoned during year.

1944: Includes provision for possible re-negotiation refund.

[Includes social security taxes: 1950, \$855,493; 1949, \$666,019; 1948, \$588,992; 1947, \$571,633; 1946, \$637,383; 1945, \$564,366; 1944, \$222,655.

[Principal "other income" follow: 1950: Includes \$961,456 profit from sale of