

GENERAL ELECTRIC

DIAL COMM•8*235-3992

DATE• April 30, 1975

COPIES•

DEPT•Outdoor Power Equip. Operation
Corporations Park, Bldg. 702
ADDRESS•Scotia, N.Y.

SUBJECT•

Mr. T. C. Doty, Manager
Financial Planning & Analysis
Special Systems & Products Group
Fairfield, Conn.

Dear Ted:

Attached you will find five illustrations which briefly summarize close-down activity to date.

Illustration 1 is a summary of placement results from the sale to Wheel Horse on 8-2-74 through the end of this fiscal month. You will note that 83 salaried employees have been removed from payroll during that period and of the 22 remaining, 1 is presently "placed" and will start next month.

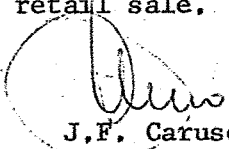
Illustration 2 shows our payroll history by month from the date of sale. I have also included the "outer limit" curves from our manpower plan as submitted on 9-30-74 and revised for our 2-14 meeting this year. You will recall the "Outer limit" would be payroll level based on employees being retained through Income Extension Aid. I have also included the National Bureau of Labor Statistics' History of Unemployment through March of this year to better illustrate our major placement problem.

Illustration 3 reflects the activity in reserves during 1975 and anticipated restorations to operation.

A brief 1975 summary of operation is also included based mainly on the reserve restorations.

Illustration 4 details our collection forecast. We believe that the 577 collection total will be met although the mix may differ.

Illustration 5 is a compilation of "best" estimates with respect to remaining Elec-Trak dealers and units available for retail sale.


J.F. Caruso

JFC:dc

O.P.E.O. EMPLOYEE PLACEMENT RESULTS
8/2/74 to 5/2/75

	<u>Exempt</u>	<u>N.E.</u>	<u>Hourly</u>	<u>Total</u>	
A. <u>Payroll Status at Sale (8/2/74)</u>	<u>78</u>	<u>27</u>	<u>29</u>	<u>134</u>	
B. <u>Placement thru 5/2/75</u>					
Upgrades within GE	14	3	-	-	
Lateral within GE	10	7	-	-	
Downgrades within GE	<u>4</u>	<u>8</u>	<u>-</u>	<u>-</u>	
Total GE Transfers	28	18	29	75	
Transfers to Wheel Horse	21	3	0	24	
Transfers External to GE (Service Protected)	5	1	0	6	
Voluntary Resignations	3	2	0	5	
Retirements	0	1	0	1	
Removals-Lack of Work (Service Protected)	<u>1</u>	<u>0</u>	<u>0</u>	<u>1</u>	
Total Placed	<u>58</u>	<u>25</u>	<u>29</u>	<u>112</u>	
C. <u>Payroll Status (5/2/75)</u>	<u>20</u>	<u>2</u>	<u>0</u>	<u>22</u>	
D. <u>Detail of Present Payroll</u>					
	<u>WH</u>	<u>Close</u>	<u>L.O.W.</u>	<u>Placed</u>	<u>Total</u>
	<u>Loan</u>	<u>Out</u>			
<u>Exempt:</u> Mfg/Rel.	0	1	4	0	5
Mkt.	0	6	0	0	6
Fin.	0	2	3	0	5
Eng.	<u>1</u>	<u>0</u>	<u>2</u>	<u>1</u>	<u>4</u>
Total	<u>1</u>	<u>9</u>	<u>9</u>	<u>1</u>	<u>20</u>
<u>Non-Exempt:</u>	0	2	0	0	<u>2</u>

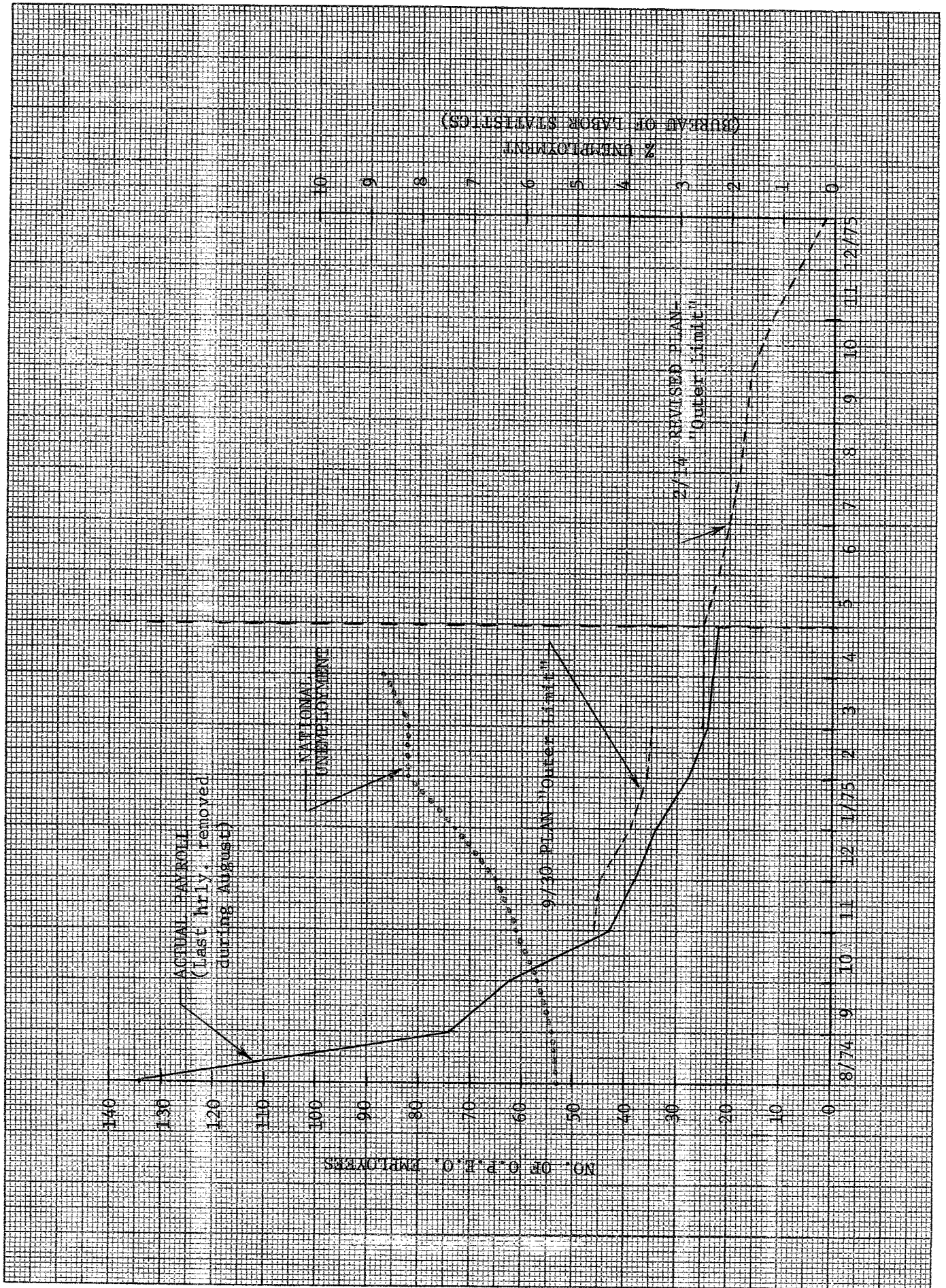


Illustration 2

1975
SPECIAL SYSTEMS & PRODUCTS GROUP
OUTDOOR POWER EQUIPMENT OPERATION
SUMMARY OF ELEC-TRAK RESERVE & OPERATIONS

	Bal at 1-1-75	1st Qtr. Actual		Bal at 3-31-75	Forecast			End. Bal. at 12-31-75
		Restor- ations	W/O & Accr.		Restoration Quarters	2nd	3rd	
<u>Reserves</u>								
Receivables	1317	192*	202*	923	260*	110*	15*	50
IEA	200	3*	8*	189	5*	9*	5*	10
Warranties	420	25*	3*	392	25*	25*	25*	250
Spec. Dep. P & E	557	30*	0	527	30*	30*	30*	437
Inventories	383	0	0	383	292*	91*	0	0
Vendor Cancel.	0	0	0	0	0	0	0	0
Lease Cancel.	165	45*	0	120	45*	45*	30*	0
Personnel/Ser.	350	0	0	350	100*	100*	100*	50
Concessions	500	0	0	500	50*	100*	100*	200
Law Suits & Other close out costs	850	0	0	850	50*	50*	50*	300
	<u>4742</u>	<u>295*</u>	<u>213*</u>	<u>4234</u>	<u>857*</u>	<u>560*</u>	<u>355*</u>	<u>1297</u>

OUTDOOR POWER EQUIPMENT OPERATIONS
SUMMARY OF OPERATIONS
YEAR 1975

	Actual 1st Qtr.	Forecast Quarters			Total
		2nd	3rd	4th	
Reserve Restoration Above	(295)	(857)	(560)	(355)	(2067)
Misc. Accruals	(7)	(5)	(5)	-	(17)
Close out expenses	139	115	80	36	370
Imputed Interest Inc.	(130)	(100)	(100)	(100)	(430)
Other Income	(6)	(9)	(10)	(1)	(26)
Income before Tax	299	856	595	420	2170
Net Income - Qtr.	157	445	309	219	1130
Year-to-Date	<u>157</u>	<u>602</u>	<u>911</u>	<u>1130</u>	<u>1130</u>

OUTDOOR POWER EQUIPMENT OPERATION
RECEIVABLE BREAKDOWN
1975

(Dollar amounts in
thousands)

	No. of Accts	Mar. 31 1975 Available	1975 Collections				Total	1976
			Actual 1st Qtr	Forecast				Year
				2nd Qtr	3rd Qtr	4th Qtr		
L & G Dealers	169	520	172	220	95	-	487	
Distributors	6	37	8	10	-	-	18	
Parts Distributors	6	118	0	10	5	5	20	
Law & Collection Agencies	83	213	1	5	10	10	26	30
Terminated (No equip)	9	19	3	2	-	-	5	
AVCO	<u>1</u>	<u>16</u>	<u>8</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>21</u>	
Total	<u>274</u>	<u>923</u>	<u>192</u>	<u>260</u>	<u>110</u>	<u>15</u>	<u>577</u>	<u>30</u>

1975
Collection of Receivables continuing as expected. April collections \$(100) to date are exceeding forecast. This favorable result is due mainly to transferring of equipment from slow moving to faster moving dealers. These dealers are paying for equipment and obtaining a 15% cash discount.

A considerable amount of uncrated and "older" merchandise (estimated \$125) still remain in dealers hands. These will be difficult to transfer and many may have to be written completely off.

1974
Last quarter collections totaled \$560. Dealer transfer and special discount program proved successful.

RJKing
4-29-75

ESTIMATES - TRACTORS/DEALERS

A.) Total Units Built	33,331
Shipped Overseas	(731)
Sold to AVCO	<u>(3,168)</u>
	29,432
Estimated 10% out of Service	<u>(2,932)</u>
Estimated Total Units in Field	<u>26,500</u>
B.) Total dealers currently active (5/2/75)	<u>140</u>
(40 "master" dealers included above)	
Approximate total past dealers:	<u>800</u>
Est. 200 with no inventory	
Est. 460 with Avg. 2 - 4 units each	
Est. 140 with Avg. 15-20 units each	
Estimated units in dealer inventories	<u>3500 - 4000</u>
Estimated units in receivables	<u>900</u>