

# Progress Through Partnership



# Statement of Purpose

This publication serves two purposes:

- To provide a record of the partnership that has developed between Martin Luther King, Jr. High School and American Can Company as a result of their participation in the Join-A-School program of the New York City Board of Education.
- To present a student version of the American Can Company annual report on the occasion of American Can holding its 1984 annual meeting at Martin Luther King, Jr. High School. This project originally was suggested by a group of students who attended the 1983 annual meeting in Minneapolis.

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### ***About the Cover***

Students in the art and graphics classes participated in designing the cover. Freshman DeParis Phillips offered the winning concept and designed the original artwork.



## **From the Principal of Martin Luther King, Jr. High School**

**T**he students and staff of Martin Luther King, Jr. High School wish to take this opportunity to express our gratitude and appreciation to American Can Company for its involvement with our school via the Join-A-School program.

With their support, our students and staff have been involved in improving curricular and extra-curricular activities. In curricular areas, our focus has been on upgrading instruction. A physics class was introduced in September, 1983. This class provided a group of students interested in physics an opportunity to study the laws and concepts of physics. Without American Can's support, this course could not have been offered due to budgetary constraints.

Social Studies students were taught by American Can Company employees the economics of a large corporation. In these classes students were able to construct graphs, interpret, analyze, and simplify them so that they were able to prepare a modified version of the annual shareholders report. The opportunity to look at packaging, pricing, and sales of American Can Company products gave students an in-depth view of finances and operations of the corporation.

Students have been involved in a creative arts project producing a mural depicting Martin Luther King, Jr. and the Civil Rights Movement. This mural will be placed over the entrance to our auditorium.

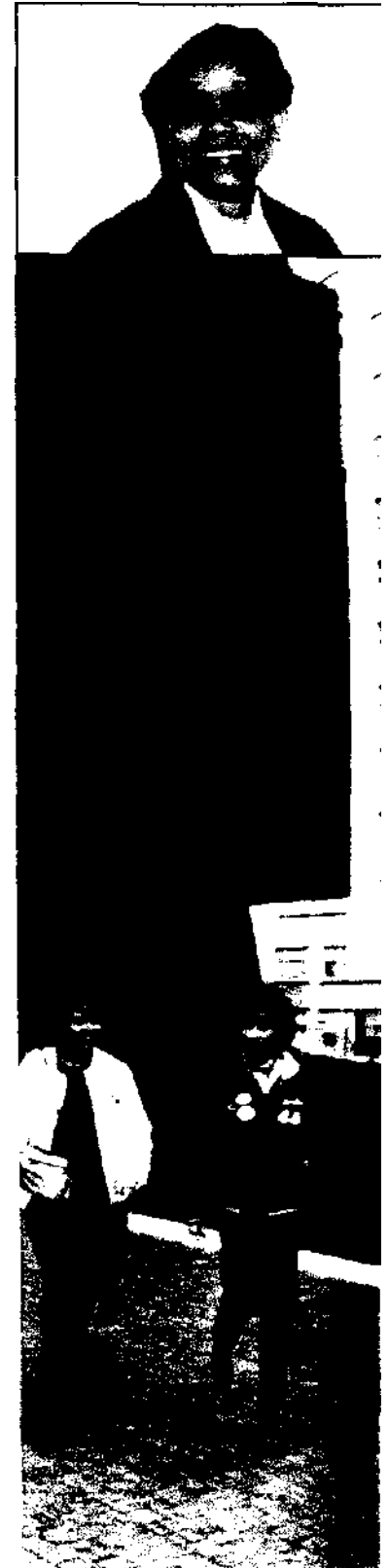
Career and internship projects for students have been taking place at American Can headquarters in Greenwich, Connecticut, where students interview and observe many employees performing various career endeavors. Many students have received security guard training. These students will be actively involved as ushers during the annual meeting at Martin Luther King.

Other aspects of our Join-A-School/American Can Company projects center around a variety of extra-curricular activities. These include a photography club, audio-visual club, dance club, and musical activities, among others.

The involvement of Martin Luther King, Jr. High School with American Can Company has improved and enhanced the quality of instruction and school life tremendously. We look forward to the continuation of this joint venture.

Yle,e,e,LL r

NELLIE R. JORDAN  
Principal  
May, 1984



## **From the Chairman of American Can Company**

In a typical annual report, the Chairman's Letter tells the shareholders how the company is doing and what they can expect in the future. It talks about sales, profits and growth. This is not the typical annual report. This is an annual report prepared by the students of Martin Luther King, Jr. High School, the school that has been American Can's partner for the past two years in the New York City Join-A-School program.

That is why I want to take this opportunity to tell the readers of this report what this partnership has meant to us at American Can and to describe the special feeling we have about this school, its administration, its teachers and, most of all, its students.

When American Can first became involved in the Join-A-School program we thought mostly in terms of how we could help the school. We were not prepared for the ways in which this experience would benefit us. The American Can employees who are involved in Join-A-School feel a stronger sense of purpose and fulfillment. We found teachers who were involved and dedicated. We found students who were able, interesting and ambitious.

The students and teachers at Martin Luther King, Jr. High School taught us some important lessons. They taught us that when you approach young people with care and respect, these young people respond with care and respect. Our experiences with Join-A-School reminded us that young people will grow and learn if they are given a fair and real opportunity to make something of themselves. The students and teachers made us much more aware of how important good public schools are to the future of our communities and our nation, of how much potential already exists within our public school systems.

For all this, and much more, we are grateful. We hope that these past two years are just the beginning, that we will have many more years of this partnership.

I also want to take this opportunity to urge other corporations to become involved in programs like this. Corporations need to become concerned about the communities in which they are located and about the institutions that serve those communities.

The Join-A-School program is the perfect way for corporations concerned about the future of this country to begin working with our young people.

WILLIAM S. WOODSIDE  
Chairman  
May, 1984

# Highlights

■ Providing awards for school attendance, such as buttons and jackets.

■ Underwriting after-school clubs and compensating teachers through the Board of Education for their time in supervising club activities.

■ Supporting a computer literacy training program.

■ Purchasing rolling gates for the school patio and security gates for the school store.

■ Hosting a World of Work Program to introduce students to the contemporary office environment.

*Progress Through Partnership*—American Can Company has participated in the New York City Join-A-School program since June, 1982 through its partnership with Martin Luther King, Jr. High School. American Can's role is to help MLKHS achieve its goals regarding student performance, teacher morale and community image. Our program functions through a constant, close association between the school and representatives from American Can. Together, we have made MLKHS a better place to be in and to learn in for everyone involved. The following is a partial listing of projects funded by American Can in support of this partnership.

■ Printing the school news magazine, reprinting course brochures and helping to prepare a student handbook.

■ Offering an intern program involving more than 25 students giving them on-the-job exposure to career alternatives.

■ Sponsoring a 70-hour after-school course to train MLKHS students to become security guards.

■ Helping to prepare for articulation meetings with junior high schools to attract students to MLKHS.

■ Awarding an annual \$1,000 four-year college scholarship to a graduating student.



# Progress Throng

**Martin Luther King, Jr. High School Achieves Expanded Goals Through Program with American Can Company.**



1 Responding to students' questions, Kenneth A. Yarnell, Jr., Chief Financial Officer, explains the importance of a good management team.

A two-day computer literacy course for the faculty was sponsored at company headquarters.



44 Subsidiary National Benefit Life instituted a World of Work Program to bring students to NBLIC headquarters to show them what it's like to work in an office.

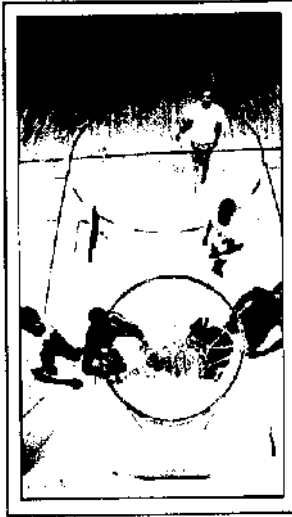


Student Alleyne Darnley learns drafting techniques while participating in the career internship program at American Can headquarters.



4 A photography project has been launched to train students in basic photographic techniques and to produce a photographic record of student activities at MLKHS.

# Partners hip



Uniforms for the basketball team, as well as other school sports activities, were provided through the Join-A-School Program.

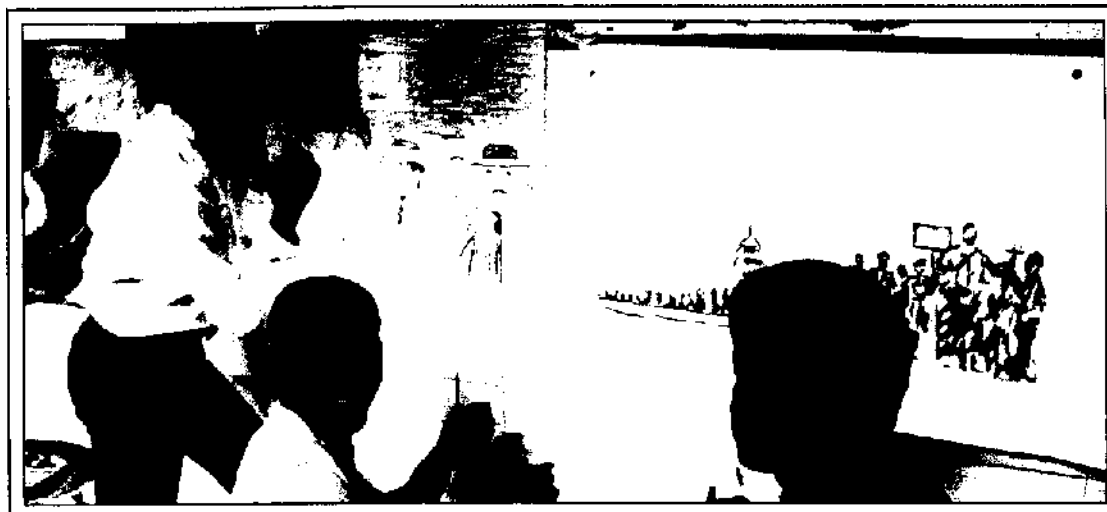


A training course is preparing students for certification as security guards for employment opportunities after school and upon graduation.

Communication professionals assisted school administration in designing the MLKHS booth for the city-wide high school recruitment fair held in October, 1983.



Students prepare a mural depicting Martin Luther King, Jr. and the Civil Rights Movement.



With support from American Can, after-school clubs have flourished. In addition to the popular gospel choir club, other activities include an audio-visual club and a theatre-dance club, among others.

# Student Annual Report

OF

## American Can Company

### A review of the Operating and Financial Results for 1983

...for the students

... by the students

- Financial Services
- Specialty Retailing
- Packaging



While attending the company's 1983 annual meeting in Minneapolis, a group of Martin Luther King, Jr. High School students expressed an interest in studying the 1982 annual report in order to learn about the company's operations.

John Polk, senior vice president, reviews the company's financial results for the year.

Wanting to know even more about

American Can, the students suggested that they undertake a project to write a student version of the 1983 annual report. With the support of the school administration and faculty, students in the economics class

interviewed executives of American Can and studied the finances and operations of the company for 1983. Here follows, in their own words, the student version of the 1983 annual report.

### Company Profile

The annual report for American Can Company will tell us of the financial situation of the company for the past year. It will also inform us of changes and improvements. American Can Company started in 1901 in New Jersey and its first year sales were \$25 million. At the time of incorporation, there were 123 companies which joined together as one. When the company started they only produced one kind of can—the tinplated steel can for storing food.

*Dionne Morris*

In 1983 the company had total sales of \$4.1 billion and business operating income of \$249 million compared to \$129 million in 1982. So it almost doubled in one year. Net income was \$100 million.

*Patricia Pines*

Today, American Can Company has 30,000 employees around the world, and has 3 major businesses: Financial Services, Specialty Retailing, and Packaging. There are 21.3 million shares outstanding owned by 84,000 shareholders. The shareholders of the company receive \$2.90 per share annually in dividends. In 1983, earnings per share were \$335.

*Colleen C room*

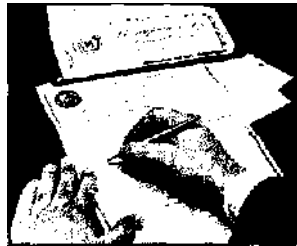


# Financial Services



Sector executive John R. Cox explains to students

the operations of the Financial Services sector.



Term insurance is the fastest-growing segment of the life insurance business,



and American Can is a market leader.

In little more than two years, American Can has assembled a group of specialized insurance firms serving over three million policyholders.



Each subsidiary has its own unique distribution strength, selling insurance through agents, institutions, bank credit cards or mail order solicitation.

Financial Services is one of the three sectors of American Can Company, the other two being Packaging and Specialty Retailing. Financial Services is American Can's newest business. It is not physical goods. It involves money-related services and insurance products for individuals, houses and cars.

American Can was a major paper and packaging manufacturer. They couldn't support two businesses that needed heavy factory investments, so they decided to undertake a major asset restructuring program.

*Dezire Lautere*

The main reason for the putting together of this sector is to make money for the shareholders.

*Haydee Valentin*

The Financial Services business was created by purchasing companies. The following format shows the success over the last two years. In 1982, they purchased two companies:

1. Associated Madison Companies, which already owned National Benefit Life Insurance Company.
2. Transport Life Insurance Company.

In the year 1983, they bought two more insurance companies:

1. PennCorp Financial, Inc.
2. Voyager Group

In 1983, they also bought American Capital Companies, a mutual funds company.

*Yolanda Fisher*

American Can's insurance products are: Life Insurance: that is, money that is paid when the policyholder dies. Accident Insurance: that is, money paid when the policyholder is injured. Health Insurance: this covers medical and hospital costs. Student Life Insurance: for the students. Credit Insurance: covers loan payments if policyholder dies or is injured.

*Melinda Moody*

American Can is also involved in mutual funds. Mutual funds are a large number of small investors that share in the purchase of hundreds of securities and benefit from the professional management of the funds portfolio. American Can offers the management of mutual funds.

*Earl Hinton*

The goals of the Financial Services sector are to provide quality products and services to the public; be one of the major contributors to American Can's earnings; and increase earnings each year by at least 15%.

*Melinda Moody*

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Revenues  
(\$ millions)

1982

1983

150-

125-

125

100-

75-

50-

25-

15

0-

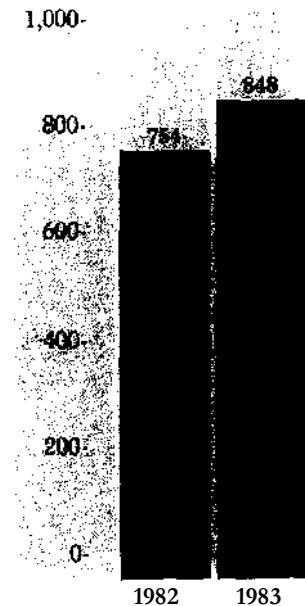
1982

1983

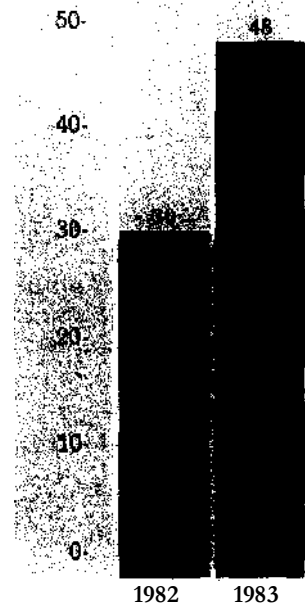
Business Operating Income  
(\$ millions)

**Strong income and revenue gains were posted by the Financial Services sector, due to acquisitions as well as excellent year-to-year performance by all subsidiaries. The combined insurance operations now have over \$68 billion of life insurance in force and rank among the top of all U.S. insurance firms in face amount of new insurance written during 1983.**

# Specialty Retailing



Revenues  
(\$ millions)



Business Operating Income  
(a millions)

The sector achieved substantial income growth in 1983 due to the continued strong performance of Fingerhut and an improved retail environment that bolstered performance of The Musicland Group. Operating income was up nearly 60 percent and revenues improved by 12 percent for the year.

Specialty Retailing is one of three businesses of American Can Company. Its revenues are over \$800 million, its assets are over \$500 million, and it has approximately 7,500 employees.

Specialty Retailing is a sector that deals with three different types of businesses. These businesses are dealing with direct marketing, retail stores and rack jobbing.

*Dionne Morris*

American Can's direct marketing companies are Fingerhut, Figi's and Michigan Bulb. The revenues for Fingerhut are \$500 million and its assets are approximately \$350 million. Fingerhut sells electronics, furniture, and clothing. Figi's sells food products and cookware. Michigan Bulb sells flowers and garden supplies.

*Colleen Croom*

American Can's retail stores are Musicland, Sam Goody, and now Harmony Hut. There are over 430 stores all over the country.

*Melinda Moody*

The products that are sold by these stores are audio records, audio tapes, video tapes and video discs. Recently, they have expanded this field to include computer games and computer programs. This has provided consumers with a variety of home entertainment products to use during their leisure time.

*Dionne Morris*

The distribution process by which the products are produced and sold is as follows:

The record and tape manufacturers, such as CBS, Motown and RCA, ship their products to the American Can distribution centers, which are located in New Jersey, Minnesota and California. Then, from the distribution centers the products are distributed to the stores in all 50 states and sold to the consumers.

*Yolanda Fisher*

Pickwick is the other business; it deals with rack jobbing. Rack jobbing markets records and tapes in the record department of a large store. American Can Company does not own the store, but gets paid for providing the merchandise.

*Dionne Morris*

Musicland and Sam Goody have key assets. The stores are the fixed assets. The inventories are the current assets. But the most important asset is the people, the employees of American Can's Specialty Retailing business.

*Melinda Moody*

The goal for all the companies in the Specialty Retailing sector is to triple their sales and profits.

*Patricia Pines*



Sector executive Alfred G. Goldstein visits the economics class to discuss the Specialty Retailing business.



With over 430 stores, The Musicland Group, including Sam Goody, is the country's largest chain of music and entertainment stores.



Fingerhut is one of the largest and most profitable direct mail marketers of general merchandise in the U.S. Here, students view a wide assortment of Fingerhut products.



Direct mail subsidiary Figi's sells more than two million pounds of cheese during the Christmas season alone. In addition, Figi's gift catalogs offer fruit, nuts, candy, gourmet cookware and other specialty items year-round.

RM International  
MI Domestic



American Can is a world-wide leader in the design and production of lightweight, two-piece beverage cans.



Essentially all of American Can's food cans are lead-free today, using either the company's two-piece or welded technology.



The company manufactures sophisticated film for protecting such products as processed meats, cheese, cereals, cake mixes and snacks.

The American Can Company packaging business began in 1901. It is the oldest and largest department. Packaging is done in eight countries around the world including the United States. It is an international business, with 75% of sales in the U.S. and 25% in outside countries.

*Colleen Croom*

Packaging has 40 plants and 2 research and development laboratories. Metal can production is a commodity business with high volume and low prices. American Can Company has received awards for uniqueness in packaging.

*Laurie Mack*

There are two kinds of packaging: (1) metal cans and (2) plastic packaging. The metal cans are about \$1.6 billion in sales and the plastic packages are about \$300 million in sales. In the packaging business alone, American Can Company has 17,000 employees. With their efforts, the employees produce 15 billion cans a year.

The company makes cans for beverages, meat products such as ham, containers for vegetables, and other food cans. It also produces specialty cans, like aerosol or paint cans.

*Yolanda Fisher*

The company has a new food can called a two-piece can. It has this name because it doesn't have a seam. It is a better quality can and it costs less. Because it has no seam, it eliminates lead.

Plastics packaging is the newer part of American Can packaging. It is faster growing than metal cans. Examples of plastic packaging are wrappers for cheese, cereal, cookies, toilet tissue and meat products. The company also makes toothpaste tubes and plastic bottles and tubes.

*Colleen Croom*

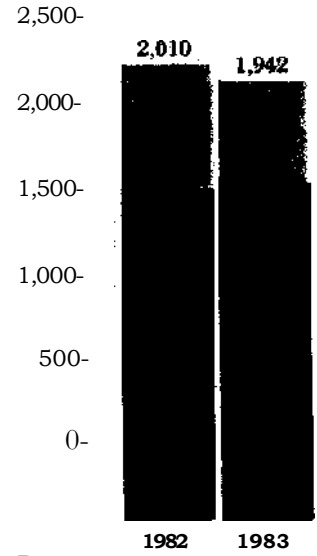
American Can Company produces packaging because it plays a critical role in agricultural growth. It protects food, reduces spoilage and informs one of the contents of the package.

According to Mr. Parker, the goals of the Packaging sector are to reduce costs and improve quality.

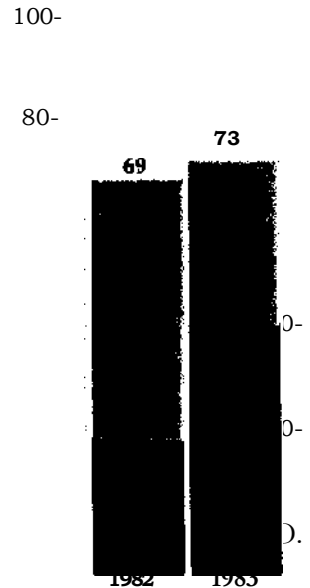
*Dezire Lautere*

American Can Company is a company that helps their customers in selling their products. They continue to improve the quality of their containers. They have to invest in new machines in order to bring their costs down for their buyers. The customers want lower cost and good quality. American Can Company is a company I think that is going to beat their competitors with their inventions.

*David Washington*



Revenues  
(\$ millions)



Business Operating Income  
(\$ millions)

Results for the Packaging sector include domestic and international operations. Domestic packaging income more than doubled to \$42 million as domestic metal and plastics packaging substantially improved. The increased domestic packaging income more than offset the decline in international profits resulting from adverse worldwide economic and monetary conditions.

# American Can Company 1983 Financial Condition

## Students' Discussion of the Financial Results for 1983.

In 1983, American Can Company had total sales of \$4.1 billion, including revenues of the Financial Services subsidiaries, and had business operating income of \$249 million. Net income was \$100 million.

*Colleen Croom*

Today the company has a total of \$2.8 billion in assets.

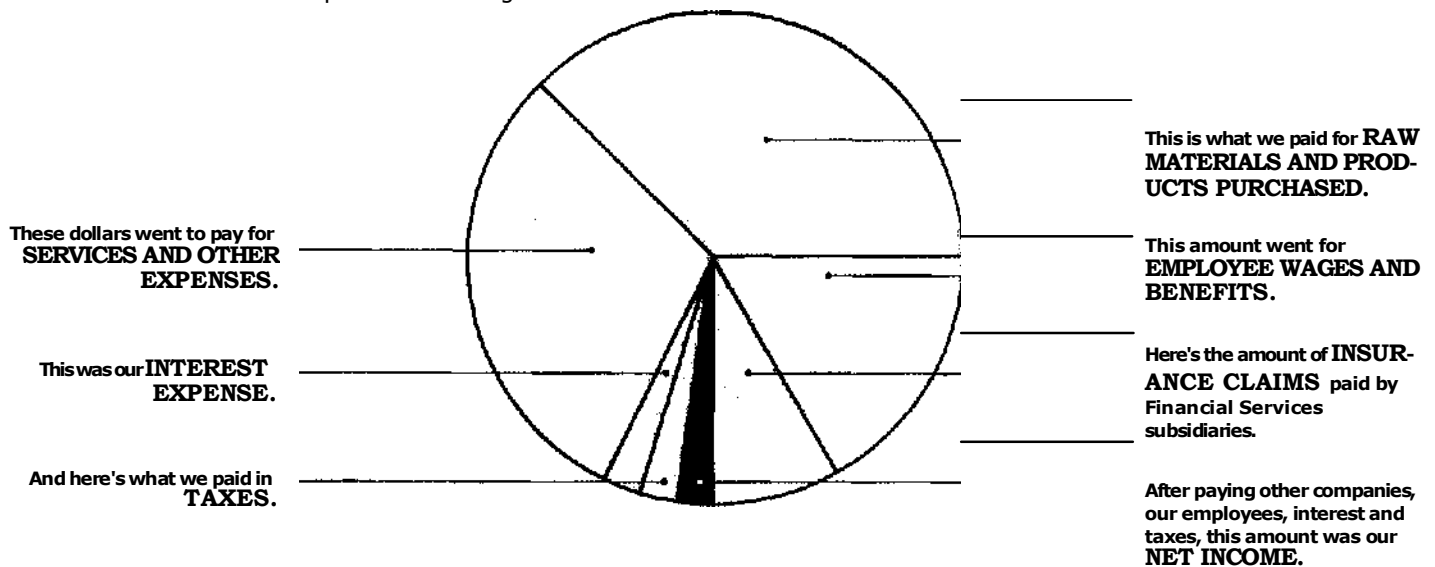
*David Washington*

In 1983 the money used to build plants, buildings and stores totaled \$114 million. These funds are called capital expenditures. As this report shows, American Can Company has been successful in the year 1983.

*Yolanda Fisher*

## What happens to the revenue dollars?

In 1983, a total of \$4.1 billion was received from customers who paid us for our goods and services.



## Financial Highlights

**Financial Services**  
**111 Specialty Retailing**  
**Packaging**

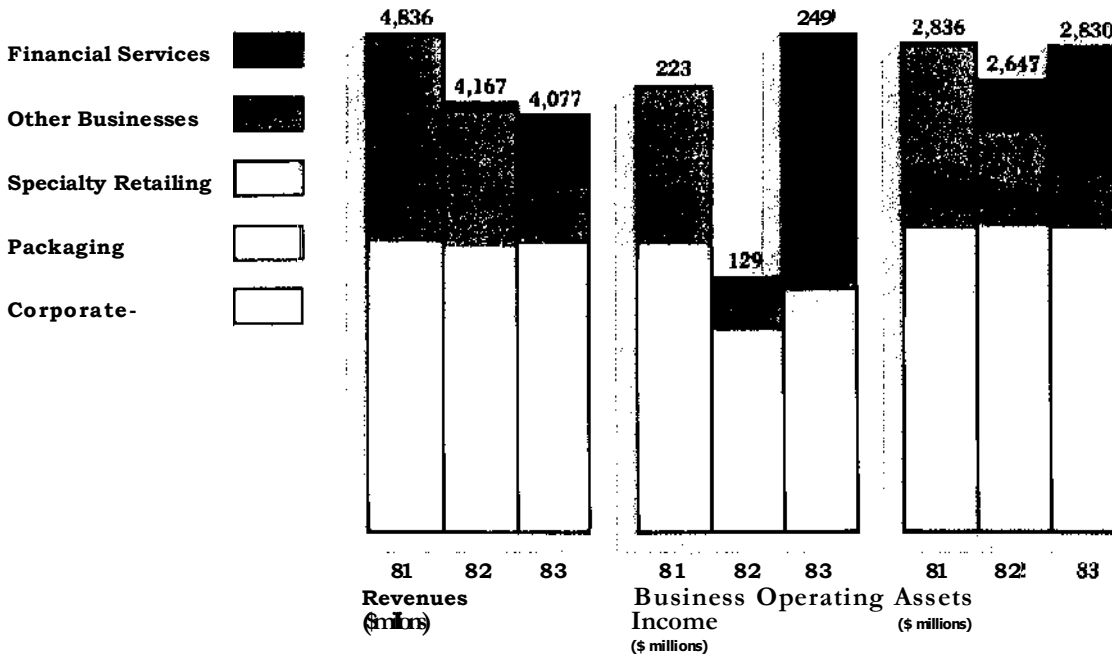
1983 was a year of significantly improved profitability for American Can Company. Due to its successful asset redeployment program and an improving economy, earnings rebounded as all three business sectors posted operating gains. The year-to-year decline in consolidated revenues reflects business divestments, principally the mid-1982 sale of the company's paper-based operations.

(in millions of dollars except where noted)

	1983	1982
Revenues		
Consolidated Revenues	<b>\$3,346</b>	\$4,063
Financial Services	<b>731</b>	104
Total Revenues	<b>4,077</b>	4,167
Business Operating Income	<b>249</b>	129
Net Income (Loss)	<b>100</b>	(133)
Earnings (Loss) per share of common stock	<b>\$3.75</b>	(\$7.31)
Capital Expenditures	<b>114</b>	149
Average Number of Employees	<b>29,800</b>	36,800

Today, American Can Company is divided up into three businesses: Financial Services, Specialty Retailing and Packaging. In the year 1983, the company had total business operating income of \$249 million, almost double the amount of the previous year. The business operating income for 1983 was provided by Financial Services (\$125 million), Specialty Retailing (\$48 million) and Packaging (\$73 million). Other businesses contributed \$3 million.

Yolanda Fisher



Since 1981, American Can has undertaken one of the most extensive corporate restructurings in the history of U.S. industry. The company sold its paper-based operations in mid-1982 and used the funds to enter the financial services industry, aggressively acquiring specialized insurance companies and other financial services firms that offered high return and fast growth potential. American Can has invested more than \$750 million in its Financial Services sector, which now ranks among the fastest-growing insurance organizations in the country.

As a result of the redeployment program, the company's revenues, business operating income and asset mix have changed. The company's transition and its progress are illustrated in the accompanying charts.

### 1983 Common Stock Data

The company's shares are listed on the New York Stock Exchange. This chart depicts the high, low, and closing prices for each month in 1983, as well as the trading volume. The company's common stock price was 30% at the beginning of the year and 46% at year-end, an increase of 52%.

MONTH	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
VOLUME	2476	759	1537	2278	2416	1059	2077	1093	1963	2725	1682	998

# Special Thanks to All Who Made This Book Possible

## **Martin Luther King, Jr. High School Faculty and Administration**

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*Business/Community Liaison*

**Saul Krug**  
*Assistant Principal for Social Studies*

**Lloyd Borak**  
*Social Studies teacher*

**Phyllis Rothstein**  
*Social Studies teacher*

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Laurie Mack  
Melinda Moody  
Dionne Morris  
DeParis Phillips  
Patricia Pines  
Haydee Valentin  
David Washington

## **American Can Company**

**William S. Woodside**  
*Chairman*

**Sal J. Giudice**  
*Executive Vice President*

**Kenneth A. Yarnell, Jr.**  
*Chief Financial Officer*

**Jerry N. Mathis**  
*Chief Administrative Officer*

**John G. Polk**  
*Senior Vice President*

**Peter Goldberg**  
*Director, American Can Company Foundation*

## **Sector Executives**

**John R. Cox**, *Financial Services*  
**Alfred G. Goldstein**, *Specialty Retailing*  
**David R. Parker**, *Packaging*

## **ACC Committee Members**

**John Conde**  
**Dennis Dowdell, Jr.**  
**JoAnn Heffernan Heisen**

**James Hollyday**  
**Brian T. Martin**



