

Staley NEWS

Published Bi-monthly Exclusively for Employees of A. E. Staley Mfg. Co.

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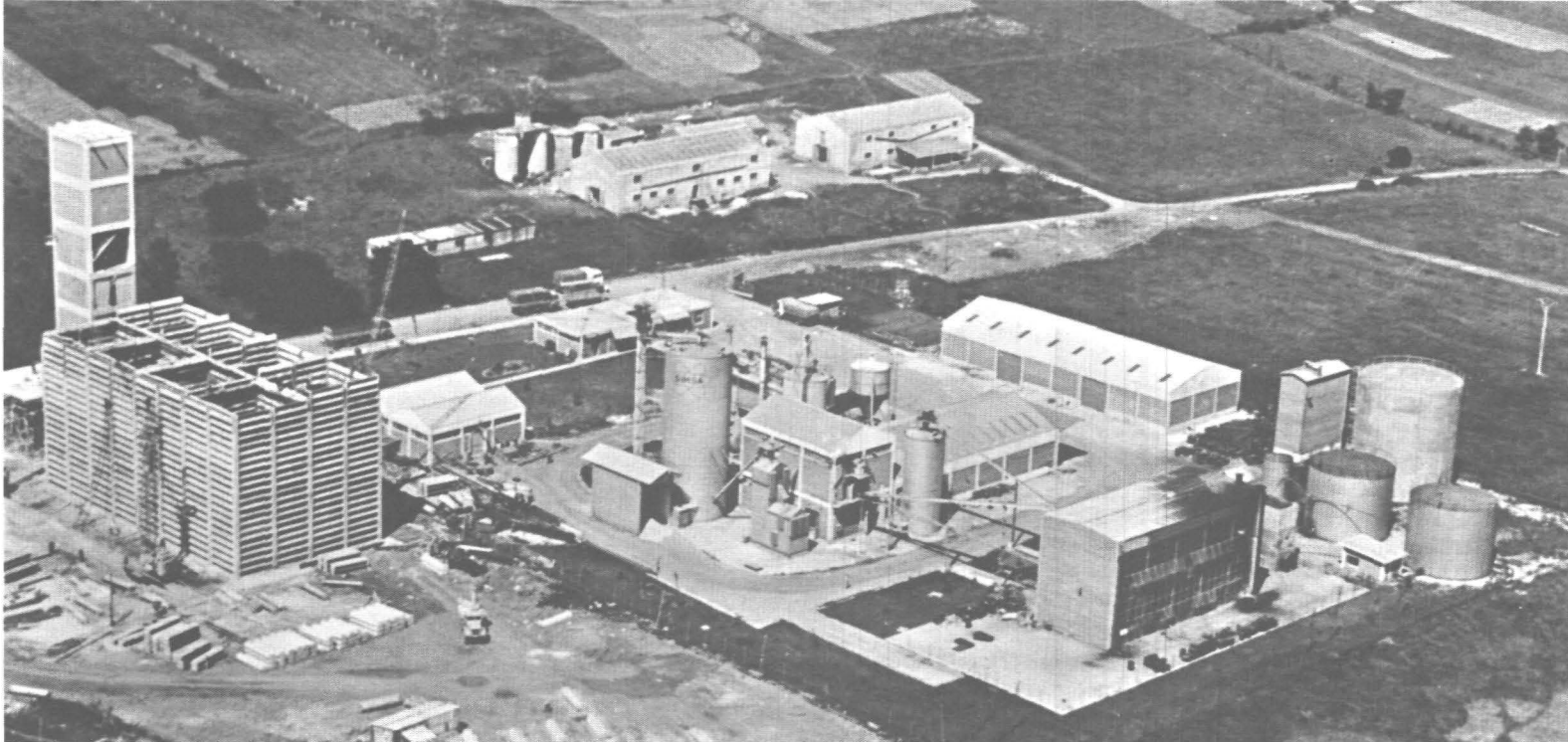
Decatur, Illinois

Jan. 15, 1969

A. E. Staley Manufacturing Co.

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Increased Earnings, Record Sales Highlight First Quarter



SILOS RISE ON GROWING SPAIN PLANT COMPLEX—New, 400,000-plus-bushel storage silos, at left, go up during construction sequence at the Company's soybean plant in Spain, which will soon be marked by activity connected with a major expansion of production facilities. The silos have been completed since this photo was taken a few months ago.

Increased earnings, record sales and a forecast for continued gains in succeeding quarters highlighted the Company's first quarter financial report issued this week.

Net earnings for the three months ended Dec. 21, 1968, were \$1,950,000 or 75 cents per share, an increase of 58 percent over the \$1,234,000 or 47 cents a share recorded in the first quarter a year ago.

Sales for the period totaled \$71,452,000 surpassing by slightly more than \$8 million the previous first quarter sales high of \$63,393,000 established in fiscal 1967.

The magnitude of the first quarter sales performance is even greater when compared to sales of \$61,853,000 for the first quarter of the prior year.

Chairman A. E. Staley, Jr., attributed the improved performance to strong volume and margins in corn refining, notably corn syrups and dextrose. A major expansion of our dextrose plant was completed last fall to meet increased demand.

Mr. Staley said continued gains over the previous year are expected in succeeding quarters, on the basis of continued strength in industrial starches and sweeteners, and further growth in the Company's more diversified consumer and chemical lines.

Prior-year figures were restated to reflect poolings of interest with Wagner Industries and Newark Leather Finish Co., along with the consolidation of certain international subsidiaries.

Spain Plant Expands To Meet Greater Demand

A major expansion of the Company's joint venture soybean processing plant in Santander, Spain, will be launched the middle of this month to meet increased demand for soybean meal, oil and derivatives in Spanish markets.

William B. Bishop, Sr., Facilities Planning director, said production capacity will be increased from approximately 250 metric tons a day to some 400 metric tons, or about 15,000 bushels, per day as a result of the project.

He said equipment for the process expansion was being delivered in December and early January and other preparations were being made to begin installation.

Along with process expansion, plans call for additional bulk meal and bag meal storage facilities to be constructed later to meet the increased production output.

Construction of soybean storage silos, with a capacity of more than 400,000 bushels, was completed recently. This facility includes equipment for cleaning and size reduction of beans to provide select beans for production of "Supersoya" 50 percent protein soybean meal.

In addition to "Supersoya" and "Protesoya" 44 percent protein soybean meal, the plant produces degummed soybean oil and lecithins for Spanish and world markets.

Bishop said the process expansion doesn't involve building construction since the existing plant was designed and built to accommodate the additional equipment that will be installed. The relatively new plant began production in May, 1966.

In the soybean preparation building, equipment to be added includes a new cracking roll, new flaking roll, bean dehulling equipment, new hammer mill and cleaning equipment.

In the extraction plant, the

expansion includes rearrangement of solvent recovery condensers with added equipment approximately doubling condensing service, installation of a new dryer-cooler to increase drying capacity and provide more efficient cooling, plus additional flake-toasting machinery and lecithin recovery equipment.

Completion date for installation of the new equipment in the production cycle is expected to be the middle of April.

In addition to the 112,000 square-foot warehouse for storing soybean meal, a new oil storage tank is expected to be installed to supplement existing storage capacity, Bishop said.

The joint venture company, Sociedad Iberica de Molturacion, S. A., known as SIMSA, is owned equally by Staley and Sonaco, S. A., a prominent Madrid commodities firm.

Soybeans for processing at the Santander plant are imported from the United States.

Designed by Staley engineers to utilize advanced solvent extraction technology employed in our U. S. processing operations, the Spain plant features equipment designed by Extraction De Smet, S. A., of Antwerp, Belgium. New equipment included in the expansion was also designed by this firm.



PLANNING CONFERENCE—Agustin Escagedo, left, managing director of SIMSA, goes over expansion plans with W. B. Bishop, Sr., during recent visit here.

Soybean Plant To Resume Operations

The soybean preparation and extraction plant will resume operations Tuesday after a week's maintenance shutdown, extended a few days because of a longshoreman union's strike.

Low margins partially brought about by the longshoreman's strike was cited as the primary factor for the extended shutdown.

Widespread publicity was generated by the shutdown because of the association with the longshoreman's strike, currently receiving national attention, and the Staley Company's role in the soybean processing industry.

However, periodic shutdowns are customary in the industry for both maintenance and as a balancing move between supply and demand.

Few, if any, employees were affected by the extended downtime, which was utilized for major maintenance work as well as increased attention to projects which are normally handled during a routine three-day maintenance shutdown.



THREE-TIME WINNER—Manufacturing Vice President Nat Kessler presents cleanup trophy to Oil Storage Department Foreman Ornan Williams. The trophy was awarded to the department for permanent display since it was the third time it had posted top monthly cleanup results. Lloyd Cox, left, and Paul Baum department employees, were on hand for the presentation.

Receives Award 3rd Time

Oil Storage Department Retires Trophy

The Oil Storage Department, 41 and 42 Buildings, scored impressive sanitation results to capture the cleanup traveling trophy for December the third time in the past six months the department has achieved the feat.

For posting the top results three times, the department was awarded the trophy on a permanent basis. A new cleanup traveling trophy award will be instituted for the January sanitation results.

According to the latest tabulations, Foreman Ornan Williams' Oil Storage crew recorded a 60 percent improvement over par, topping the closest departments by 10 percentage points.

The Small Machine Shop in 17 Building, 17 Building-Bulk Syrup and the Dextrose Plant were dead-

locked for the second spot, each with 50 percent improvement over par.

The Oil Storage Department had previously captured the trophy in July and August, when it became the first since the award was instituted a year earlier to receive the award two consecutive months.

During December, only 10 departments matched or exceeded their pars, leaving 28 departments below par.

In addition to the four departments with 50 percent or above improvement, the other six in the top 10 included the Oil Refinery, 12 & 26 Buildings—Starch Drying and Grinding, 6 & 8A Buildings—Merco, 20P, 21 and 37 Buildings, Starch Processing, 34 Building—Warehouse and 118 Building—Specialty Starch.

Staley Welcomes

Janet R. Crawley, keyed data equipment operator, Data Processing

Beverly J. Derr, keyed data equipment operator, Data Processing

Nora M. Eckstein, administrative secretary, Industrial Sales—Kansas City

Randy E. Harlin, shop clerk, Maintenance

John C. Higgins, quality control technician, Staley Chemical—Newark

Stephen R. Kopetz, records coordinator, Transportation

Harold L. Lawson, technician, Staley Chemical—Newark

Nancy A. Lebeau, process engineering secretary, Staley Chemical—Marlboro

Catherine J. Meyer, order receiving clerk, Staley Chemical—Newark

Robert A. Nadell, lab technician, Staley Chemical—Newark

Thomas R. Nelson, mercantile floorman, Chicago Clearing House

Raymond L. Pitts, adhesives technician, Staley Chemical—Newark

Ann M. Shieldneck, lab technician, Research and Development

Ellen S. Woodall, stenographer, Office Services

Michael D. Yetter, adhesives technician, Staley Chemical—Newark



Cox

Siweck



Doherty

Leisner

Kathy R. Poe, Labor Relations, Dec. 15

Austin H. Young, Chemical Research, Dec. 29

Rue E. Copeland, Control Lab, Dec. 23

T. Kent Sederwall, Transportation, Dec. 9

Allen D. Urfer, Applications Research, Dec. 2

11 Employees Promoted

Eleven Employees have been promoted to new posts in recent weeks.

Ben D. Cochran has been promoted to assistant Maintenance superintendent. He had been a senior estimator in the Electrical and Mechanical Engineering Section for the past six years. He joined the Company in 1955 as an estimator in the Manufacturing Division.

Dale R. Elliott has been promoted from shift foreman in the Syrup Refinery to foreman in 17 Building-Bulk Syrup. He had been a shift foreman in the Syrup Refinery for nearly six years. Prior to that, he held a number of posts in the Control Lab. He joined Staley in 1952, starting on the Extra Board.

Leon M. Fornwalt has moved up from the hourly roll to a Production Department relief foreman in 17 Building. He has held production posts for most of his 18 years with the Company. He joined Staley in 1952, starting on the Extra Board.

Ralph F. McLaughlin, Jr., has been promoted from time study man in Industrial Engineering to assistant foreman in the Sheetmetal Shop. He had been a time study man for the past three years. A 19-year Staley employee, he joined the Company in 1949, starting on the Extra Board.

Carl O. Moore has moved up from associate applications chemist to applications chemist and is a member of the recently-formed food product development group. He has held positions in Applications Research since joining Staley in 1961.

George E. Spates has moved up from the hourly roll to a Production Department relief foreman, assigned to the Boiler House. He had held posts in the Boiler House throughout most of his 20-year Staley career, with brief stints at Elevators C & D. He started on the Extra Board.

Joseph J. Wasilewski has been promoted from chemical engineer to senior chemical engineer. A graduate of Bucknell University, he has been a chemical engineer since joining the Company in 1965.

Other promotions:

Carol A. Klepzig, from credit clerk to department secretary, Control Division

John W. Neuber, from time study man to technologist, Industrial Engineering



Cochran

Elliott



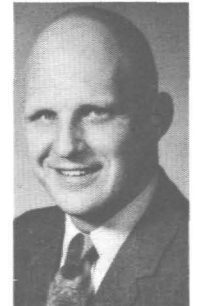
Fornwalt

McLaughlin



Moore

Spates



Wasilewski

Terry L. Reed, from shop clerk, Maintenance, to price clerk, Purchasing

Dennis Williams, from records coordinator to car movement-weighting coordinator, Transportation.

THINGS TO THINK ABOUT BEFORE YOU DISMISS THAT IDEA

"Some people see things as they are and ask why. I dream of things that never were and ask why not?"
—George Bernard Shaw

"No army can withstand the strength of an idea whose time has come."
—Victor Hugo

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Staley Stock Featured As 'Stock of the Week'

Staley stock received national attention recently when it was selected as "Stock of the Week" and featured on the financial pages of numerous newspapers across the country.

Appearing during the week of Dec. 20, the stock analysis cited Staley as "a leading factor in the corn milling and soybean processing fields," indicating that diversification through an active acquisition program and continued research and internal development should strengthen earnings and revenues."

Staley stock was selected on the basis of "outstanding fundamental value and above-average market interest," the newspaper articles state.

The selection was made by The

Electronic Stock Evaluator Corporation (ESE) of Rockville Centre, New York, which uses computers to analyze approximately 1,600 stocks each week.

In forecasting the price action of a security, ESE obtains estimates of earnings, dividends and sales from several different sources, and programs a consensus of these estimates into the computer. The computer then assigns a rating to the security which serves as a guide for the recommendations made by ESE.

On the basis of information fed to the computer, ESE estimated earnings per share of Staley Common Stock will increase from \$2.50 a share in fiscal 1968 to \$3.10 per share for the current fiscal year.

500 Staley Employees To Gather For Annual Service Awards Dinner

More than 500 Staley employees, marking milestones in their service careers, are expected to gather Thursday evening, Jan. 23, in the Masonic Temple for the Company's 22nd Annual Service Awards Dinner.

They will be representing more than 2,000 Staley employees who have been with the Company 10 years or more and account for a grand total of more than 55,000 years service.

President Donald E. Nordlund will address the service awardees and other long-time active and retired employees attending the dinner.

Guest speaker for the evening will be Dr. Herb True, writer, research psychologist and lecturer. A doctor of psychology, he has made more than 3,000 tailored presentations—lectures, seminar and clinic talks—to more than 40 major universities, numerous corporations, national associations and management clubs.

Dr. True is the author of several books, including "The Care and Feeding of Ideas," and the script for six motivational idea custom records used in management and self-development programs. A member of the teaching faculty for the University of Notre Dame, the American Management Association and others, he is a consultant to such organizations as the National Safety Council, National Retail Merchants Association and National Management Association.

Master of ceremonies for the evening will be James W. Moore, vice president, Commodities Group, who is a 27-year Staley employee.

Heading a banner group of 20 awardees with 40 or more years service is Ed Lashinski, who will be celebrating his golden service anniversary. Lashinski, who reached the 50-year mark last May 29 and retired May 31, joins John M. Shyer as the only other employee in Company history to reach the half century service level. Shyer reached the 50-year mark in 1966 and retired the next year.

Eleven employees, the largest number ever in the 22 years the Service Awards Dinner has been held, will receive 45-year awards.



Dr. True



J. W. Moore

Featured at the dinner will be 55 silver service anniversary celebrants. They'll each receive a gold watch as a special tribute on their 25th year of service at Staley.

Attending the dinner for the first time will be 58 employees who marked 10 years of service during 1968.

In all, some 210 employees will receive awards for service levels, ranging from 10 to 50 years.

Scheduled to be in attendance in addition to the awardees will be all active and retired employees with 35 or more years service and active and retired employees with 26, 28, 30, 32 and 34 years with the Company.

Chairman of arrangements for the Service Awards Dinner this year is W. F. (Bill) Sprague of Industrial Relations. Kathleen Poe, Labor Relations, is his general assistant.

CONSUMER PRODUCTS

Strong TV Campaign To Begin Jan. 20

This year's "Staley-On the Move" consumer products sales drive shifts into high gear Jan. 20 when the boldest network television advertising campaign in Company history is launched.

Network television advertising is highest on the list of ways to get a product message effectively across to a large segment of the public, and this year Staley commercials will be appearing on two major TV networks supplemented with spot commercials on independent stations across the country.

The hard-hitting Staley TV ad programming is aimed at carving out an even larger share of the market for three of our leading consumer products—"Sta-Puf" fabric softener, "Sta-Flo" spray starch and "Lightning White" non-bleach laundry whitener.

American Broadcasting Company (ABC) shows, which will be carrying Staley filmed advertisements include such high-rated evening programs as "The Joey Bishop Show," "Judd for the Defense," "Here Come the Brides," "The Outcasts" and a new show, "This Is Tom Jones," which will premiere Feb. 7.

The latter is an all-new variety program, featuring the talents of internationally-known Welsh singing star, Tom Jones. Staley employees may view our commercials on this and other ABC programs on WAND-Decatur television station.

On the National Broadcasting Company (NBC) network, our filmed spots will appear on such popular daytime participation game shows as:

"Snap Judgment," starring Ed McMahon

"Personality," hosted by Larry Blyden

"Hollywood Squares," featuring many stars of movie and television fame

"Concentration," with Bob Clayton as host

"Jeopardy," emceed by Art Fleming

"Eye Guess," starring Bill Cullen.

The NBC programs, carrying Staley commercials, may be seen on WICS-Springfield television station.

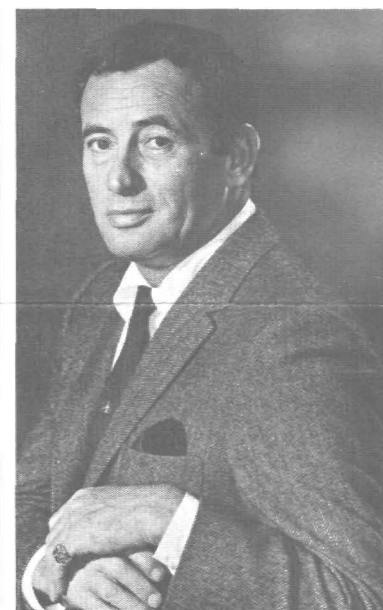
To back up these two strong lineups, additional commercials will run on the Columbia Broadcasting System (CBS) network and inde-



WELL-KNOWN ACTRESS Joan Blondell, foreground, is surrounded by cast members of "Here Come the Brides."



CARL BETZ stars as "Judd."



JOEY BISHOP heads own show.

pendent stations as supplementary coverage in key markets.

The new commercials feature "Sta-Puf" as "the first beauty conditioner for clothes, the "Sta-Flo" theme is that our spray starch "makes ironing as easy as ironing can get, and "Lightning White" carries a "best for permanent

press," and "beats the pants off anything else for clean" message.

In all, Staley commercials will be shown on more than 500 network and independent stations, reaching an estimated 84 million homes from Bangor, Maine, to Los Angeles, California, and from Juneau, Alaska, to Honolulu, Hawaii.



STALEY DISPLAY IN CHICAGO—A passerby pauses to view Staley Company display appearing in street-floor window of Chicago Board of Trade Building in Chicago throughout January.

New Year Brings Tax Bite

Staley employees will notice an increase in the amount of social security deducted from their pay checks, beginning with the first pay in 1969.

Deductions are based on earnings up to \$7,800. Social security payroll deductions in 1968 were made at the rate of 4.4 percent. Beginning January 1, 1969, the new rate will be 4.8 percent.

Since the Company matches employee contributions to social

security, its payments will increase by the same amount.

Below is a chart indicating what you paid into social security on an annual basis in 1968, according to wage range, and what you will be paying in 1969. In addition, the chart lists the difference in dollars after the new rate takes effect.

The totals listed will help you determine an estimate of social security deductions to your own wages.

Annual Wages	1968 Social Security Deduction 4.4%	1969 Social Security Deduction 4.8%	1968-69 Difference
\$3,500	\$154	\$168	\$14
\$4,000	\$176	\$192	\$16
\$4,500	\$198	\$216	\$18
\$5,000	\$220	\$240	\$20
\$5,500	\$242	\$264	\$22
\$6,000	\$264	\$288	\$24
\$6,500	\$286	\$312	\$26
\$7,000	\$308	\$336	\$28
\$7,500	\$330	\$360	\$30
\$7,800	\$343.20	\$374.40	\$31.20



ALL IN A DAY'S WORK—Sally Katzenmaier, Law Division secretary takes phone message during busy day.



POINT OF LAW—Tom Fischer, left, and Fred Johnson confer on point of law while researching a project in the division's library.

Law Division Small in Size, But Plays Big Company Role



WINNING AD—Marlene Hicks, Grocery Products Division, displays winning newspaper ad and award.

'Lightning White' Ad Wins Editor & Publisher Award

One of the major ingredients in the formula for success in selling consumer products is effective, hard-hitting advertising.

Occasionally, some advertisements are produced which stand out above the routine and command the reader or viewer's attention. Such a case is the award-winning newspaper advertisement for "Lightning White" laundry whitener and stain fighter, which effectively used spot color to get across one of its main selling points.

The ad recently won the "Editor & Publisher" award for best use of spot color and excellence in reproduction in annual nationwide competition.

The award was shared by the Staley Company, the newspaper which carried the advertisement—"The Indianapolis Star"—and the Staley consumer products advertising agency, Campbell-Mithun, Inc., of Chicago.

The award was made for spot color advertisements published by a

newspaper in the 100,000 to 250,000 circulation category.

By introducing color into the predominantly black-and-white ad, the superiority of "Lightning White" over chlorine bleach in use on colored fabrics was demonstrated.

One of the biggest selling points for "Lightning White," the Company's newest entry in the consumer products field, is that, unlike harsh bleaches, it is safe for use on all fabrics, including colored clothes and other fabrics.

The spot color was introduced by using a blue man's shirt and leaving blotches of white to show what bleaches can do to colored fabrics.

"Lightning White" has also been found in laboratory tests to be much superior to chlorine bleach in cleaning modern, synthetic fabrics.

The product was recently expanded to national distribution and the ads ran in key metropolitan areas to acquaint consumers with the newest Staley grocery product.

The Company's Law Division is the smallest, yet one of the most important at Staley.

This has been especially true during the past 12 months in view of the Company's acquisition activities. If you multiply the legal paperwork involved in buying a house a hundred-fold, you'd have some idea of the legal expertise required to complete these transactions.

Thomas V. Fischer, Staley legal counsel and Company secretary, noted, for example, that the contracts and other documents pertaining to the acquisition of the Kever Company and the subsequent disposition of certain of its assets fill approximately a two-foot space in a regular filing cabinet.

In some instances, such as the acquisition of Newark Leather Finish Co., our lawyers—Fischer and his assistant, Fred L. Johnson—get involved in talks with governmental officials before a transaction is completed to be sure that Company plans conform with applicable laws and regulations.

The Staley Company, in acquiring Newark Leather Finish Co., was interested not only in NLF's plant facilities but also in using its adjoining land as a site for relocating the former UBS chemical facilities at Cambridge, Mass.

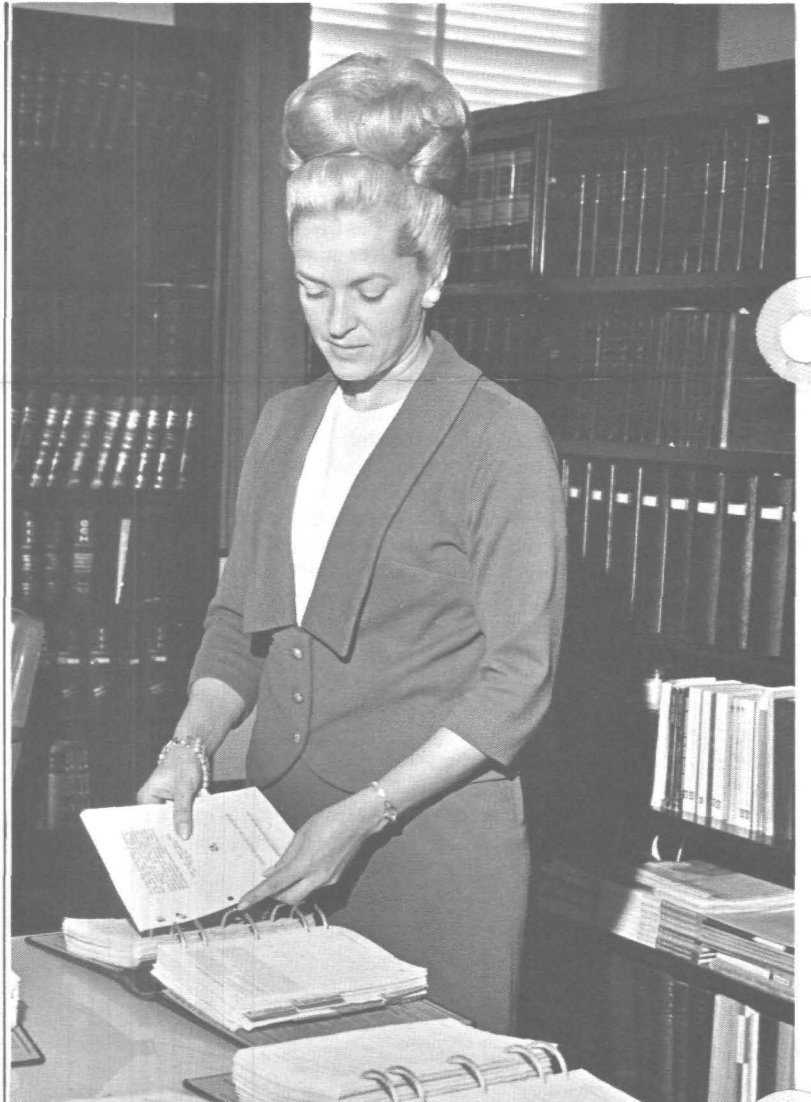
Consequently, Fischer and other Staley personnel met with the city attorney, city engineers and mayor of Kearney, N. J., to make sure zoning and other legal factors were not going to conflict with Staley plans for expansion.

While acquisitions have consumed a significant part of the Law Division's time in the past year, the division has been active in many other areas.

In virtually all of their work, our lawyers are engaged in the protection of Company interests, whether it be in completing an acquisition, drawing up contracts, or assuring that the Company is complying with numerous governmental regulations covering the processing, packaging, labeling, distribution and advertising of Staley products.

Our lawyers often act as consultants to division and department heads to investigate legal questions—and there are many in the day-to-day operations of a Company our size—and come up with opinions on how the Company can or cannot proceed in specific situations.

They are also guardians of the Company's trademarks. As such,



LAW LIBRARY KEPT CURRENT—Doris McConnell, Law Division employee adds new data to law library reference folders.

they regularly review trademarks used or proposed to be used by other companies, and take appropriate action to oppose those which are considered to infringe upon Staley trademarks.

On the other side of the coin, Fischer and Johnson conduct searches for available trademarks for new Staley products, and make recommendations on the likelihood of their success in being accepted without opposition.

Our lawyers draw up hundreds of contracts a year, involving distribution and packaging facilities, leasing of district offices, transportation, sale or purchase of products or equipment, and a host of other subjects.

Since the Company's stock is publicly traded, the Law Division is active in assuring that the Company

is conducting its business within the guidelines set down by the Securities and Exchange Commission and New York Stock Exchange regulations.

Holding the position of Company secretary, Fischer is the safekeeper of the Company's permanent records—minutes of board and stockholders' meetings and numerous other documents—prepares proxy material for the annual Stockholders Meeting, and prepares a myriad of reports filed with various governmental agencies.

These are only some of the division's activities. While the Law Division is the smallest division in the Company, it plays an increasingly important role in helping to maintain the complex business operations at Staley functioning smoothly.