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New York Airways Collection - Stock Holders and Financial Relation Program

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of the December 31, 1957, balance sheet would indicate that items ordinarily classified as current assests aggregate almost &75,000,000, including cash and equivalent of $21,561,000. At the same date, current liabilties amounted to $32,947,000, including bank loans of $9,510,000.
The principal fixed asset used by MORRISON-KNUDSEN in its business is its construction equipment owned by a single company. This equipment pool had an original cost of over $36,000,000, of which $24,223,013 was invested during the past three years.
The fact that the Company's principal capital investment is in mobile construction equipment, rather than in permanently located plants and machinery, accounts in large measure for its ability to expand rapidly its volume of work in process. These "flexible" units of contruction equipment used to earn gross revenues may be transferred readily upon completion of one construction contract to an entirely new job location where additional revenues will be earned.

Outlook For 1958
The management of MORRISON-KNUDSEN believes that its prospects for the year 1958 are excellent. While the Company enters the year with a lower volume of contract business than a year ago, its backlog of $273,411,000 of domestic and foreign work, together with the new business it expects to book during the year, assures a very favorable level of activity. The public works field, particularly, should benefit from the efforts of the Government to counteract a general recessionary trend in business.
In addition to the profits that may be anticipated from processing existing and prospective contracts, MORRISON-KNUDSEN stands to benefit materially from recoveries on its losses on St. Lawrence Seaway projects which were charged directly against income in the years 1956 and 1957. Any recoveries of these heavy losses will be credited directly into the income account. The management, of course, does not know at this time what its recoveries will be. It feels, however, that it has valid claims for additional compensation based on the performance of work which was in addition to or changed from that described in contract specifications. It also believes that eventual recoveries will be substantial.
The confidence of the management in the business outlook for MORRISON-KNUDSEN was expressed in Mr. Morrison's Letter to the Stockholders in the 1957 annual report, in which he said, "...we propose to continue the 40-cent-quarterly dividend rate in 1958."

Condensed Income Account Data
Years Ended December 31
(000 omitted)

[[6 Columned Table]]
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[[underlined]]1953[[underlined]]	[[underlined]]1954[[underlined]]	[[underlined]]1955[[underlined]]	[[underlined]]1956[[underlined]]	[[underlined]]1957[[underlined]]
Revenues from Operations	$127,642	$105,555	$135,582	$223,817	$203,865
Cost of Revenues	120,176	97,944	127,644	210,490	188,405
Gross Profit from Operations	$7,466	$7,611	$7,938	$13,327	$15,460
Joint Venture Income (Loss)	3,728	3,864	2,931	(846)	1,604
Operating Income	$11,194	$11,475	$10,869	$12,482	$17,064
Adm. and Gen. Expenses	7,155	7,151	7,821	8,182	9,347
Operating Profit	$4,039	$4,324	$3,048	$4,300	$7,717
Foreign Dividends	3,065	3,107	2,124	2,150	1,751
Other Income (Loss), Net	826	508	3,615	2,066	(48)

Net Income before Income Taxes	$7,930	$7,939	$8,788	$8,515	$9,421
Federal Income Taxes	2,094	2,279	2,519	2,714	3,800
Net Income	$5,836	$5,660	$6,269	$5,801	$5,621
Minority Interests	75	101	257	83	105
Net Income to Surplus	$5,761	$5,559	$6,012	$5,718	$5,516
Earned per Share*	$2.82	$2.72	$2.94	$2.80	$2.70
Dividends per Share*	$1.14	$1.28	$1.43	$1.60	$1.60

*Based on present number of outstanding shares.

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[[4 Columned Tables]]

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