



How Top-Quality Companies Fared During the 1970s

The decade of bell-bottom pants, disco music and pet rocks is not remembered fondly by investors. The OPEC oil embargo and high inflation dominated the investment background and the major market indices were mostly stagnant.

Today, some investors fear that we are returning to a 1970s-type period. However, a group of 18 high-quality companies continued to grow their earnings and dividends at superior paces even during this difficult decade:

Company	Compound Annual Growth 1970-1979		
	<u>Earnings</u> Per Share	<u>Dividends</u> Per Share	<u>Share Price</u>
Abbott Laboratories	16.8%	14.9%	9.1%
Automatic Data Proc.	24.9	nmf	5.0
Becton, Dickinson	12.4	12.4	-1.2
Coca-Cola	11.7	12.4	-2.3
Colgate-Palmolive	4.7	10.4	-1.1
Ecolab	29.8	17.4	0.3
Exxon Mobil	14.2	8.5	4.7
Hewlett-Packard	25.5	6.3	16.3
IBM	12.6	15.2	0.1
Johnson & Johnson	16.3	21.8	3.7
McCormick & Co.	31.1	13.8	7.1
McDonald's	28.3	nmf	12.2
PepsiCo	14.4	13.4	3.9
Procter & Gamble	11.8	10.2	2.8
Sysco Corp.	17.3	15.4	na
United Technologies	14.8	10.4	11.0
Walgreen	4.1	4.6	4.2
Wal-Mart	35.1	nmf	na
18-Company Average	18.1%	12.5%	4.7%
Standard & Poor's 500	12.5	6.7	1.8

Sources: Securities Research Company, Standard & Poor's, Interactive Data Corp.

nmf - not meaningful figure -- company did not pay dividends for entire period.

na - not available -- company was not publicly traded for entire period.

Company earnings and dividend data from Securities Research Company, based on, insofar as possible, results of operations excluding non-recurring gains or losses, credits or charges.

S&P 500 data from Standard & Poor's, based on reported earnings, which includes non-recurring gains or losses, credits or charges. S&P 500 operating earnings first reported in 1988.

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