

---

## Section 1: 8-K (8-K)

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15 (d) of  
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **November 21, 2017**

**HORMEL FOODS CORPORATION**  
(Exact name of registrant as specified in its charter)

<b>Delaware</b> (State or Other Jurisdiction of Incorporation)	<b>1-2402</b> (Commission File Number)	<b>41-0319970</b> (IRS Employer Identification Number)
---	--	---

**1 Hormel Place**  
**Austin, MN 55912**  
(Address of Principal Executive Office)

Registrant's telephone number, including area code: (507) 437-5611

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

---

## Section 2 – FINANCIAL INFORMATION

## **Item 2.02 Results of Operations and Financial Condition**

On November 21, 2017, the Company issued an earnings release announcing its financial results for the fourth quarter ended October 29, 2017. A copy of the earnings release is furnished as Exhibit 99 to this Form 8-K and is incorporated herein by reference.

## **Section 9 – FINANCIAL STATEMENTS AND EXHIBITS**

### **Item 9.01 Financial Statements and Exhibits**

(d) Exhibits furnished pursuant to Item 2.02

99 [Earnings release issued November 21, 2017](#)

## **SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

### **HORMEL FOODS CORPORATION**

(Registrant)

Dated: November 21, 2017

By /s/ JAMES P. SNEE  
JAMES P. SNEE  
President and  
Chief Executive Officer

Dated: November 21, 2017

By /s/ JAMES N. SHEEHAN  
JAMES N. SHEEHAN  
Senior Vice President and  
Chief Financial Officer

2

---

[\(Back To Top\)](#)

## **Section 2: EX-99 (EX-99)**

INVESTOR CONTACT:  
Nathan Annis  
(507) 437-5248  
ir@hormel.com

**Exhibit 99**  
MEDIA CONTACT:  
Wendy Watkins  
(507) 437-5345  
media@hormel.com

**HORMEL FOODS ANNOUNCES FULL YEAR AND FOURTH QUARTER RESULTS AND PROVIDES  
GUIDANCE FOR FISCAL 2018**

**AUSTIN, Minn.** (November 21, 2017) – Hormel Foods Corporation (NYSE: HRL) today reported results for the fourth quarter of fiscal year 2017.

### **EXECUTIVE SUMMARY – FISCAL 2017**

- Three of five segments delivered record segment profit
- Volume down 8%; Organic volume<sup>1</sup> up 2%
- Sales of \$9.2 billion, down 4%; Organic net sales<sup>1</sup> up 3%
- Diluted earnings per share of \$1.57, down 4% from 2016 EPS of \$1.64
- Second most profitable year in the company’s history
- Record operating margin of 14.0%
- Record cash flow from operations of \$1.01 billion, up 2%

### **EXECUTIVE SUMMARY – FOURTH QUARTER**

- Volume down 10%; Organic volume up 2%
- Sales of \$2.5 billion, down 5%; Organic net sales up 5%
- Diluted EPS of \$0.41, down 9% from 2016 EPS of \$0.45
- Operating margin of 13.2%
- Record cash flow from operations of \$499 million, up 34%

### **FISCAL 2018 OUTLOOK**

“Fiscal 2018 represents a return to growth with the addition of three strategic acquisitions and contributions from innovative new items such as **HORMEL® BACON 1™** fully cooked bacon and **SKIPPY® PB BITES**,” said Jim Snee, chairman of the board, president and chief executive officer. “The earnings power we are creating with acquisitions, major capital investments in value-added capacity, a supply chain reorganization, the union of the Grocery Products and Specialty Products segments, and an intense focus on strategic cost management sets us up for renewed earnings growth in 2018 and beyond.”

“We expect Refrigerated Foods, Grocery Products, and International to drive growth as Jennie-O Turkey Store continues to navigate difficult industry conditions,” Snee said.

Net Sales Guidance (in billions)	\$9.40 - \$9.80
Earnings per Share Guidance	\$1.60 - \$1.70

Fiscal 2018 net sales and earnings per share guidance exclude the pending acquisition of Columbus Craft Meats, which is expected to close in December. Total sales are approximately \$300 million and the transaction is expected to be 2-3 cents per share accretive to earnings in fiscal 2018.

---

### **DIVIDENDS**

“This morning we announced a 10 percent increase to our annual dividend, making the new dividend \$0.75 per share,” Snee said. “This is the 52<sup>nd</sup> consecutive year in which we’ve increased our dividend.”

Effective November 15, 2017, the company paid its 357<sup>th</sup> consecutive quarterly dividend at the annual rate of \$0.68 per share.

### **COMMENTARY – FOURTH QUARTER**

“We delivered a quarter of strong organic volume and sales growth despite the volatile commodity markets,” Snee said. “I am proud of our team’s ability to navigate the many unique market conditions we faced while staying focused on our key strategic initiatives.”

### **SEGMENT HIGHLIGHTS – FOURTH QUARTER**

#### **Grocery Products**

- Volume down 4%; Organic volume up 4%
- Net sales down 1%; Organic net sales up 7%
- Segment profit up 7%

**WHOLLY GUACAMOLE®** dips, **SPAM®** family of products, and **HERDEZ®** salsas all showed strong sales growth. **SKIPPY®** peanut butter and **HORMEL®** chili experienced volume declines as price increases took effect during the quarter. Segment profit increased as reductions in manufacturing and SG&A expenses more than offset higher input costs for pork, beef, and avocados.

### **Refrigerated Foods**

- Volume down 17%; Organic volume up 1%
- Net sales down 6%; Organic net sales up 8%
- Segment profit down 13%

Volume and sales declines were related to the divestiture of the Farmer John business, which were partially offset by the acquisition of Fontanini Italian Meats and Sausages. Retail items such as **HORMEL® NATURAL CHOICE®** products and foodservice items such as **HORMEL® BACON 1™** fully cooked bacon and **HORMEL®** pepperoni contributed to the organic sales growth. Segment profit declined due to the divestiture of the Farmer John business and higher input costs.

### **Jennie-O Turkey Store**

- Volume down 7%; Organic volume flat
- Net sales down 10%; Organic net sales down 4%
- Segment profit down 24%

Decreases in sales and earnings were primarily due to the continued oversupply in the turkey industry, leading to lower turkey commodity prices. **JENNIE-O® OVEN READY®** products and marinated tenderloins delivered excellent sales growth.

2

---

### **International & Other**

- Volume up 7%; Organic volume up 5%
- Net sales up 10%; Organic net sales up 12%
- Segment profit up 18%

International sales increased due to the inclusion of sales of **CERATTI®** branded products, continued growth of **SKIPPY®** peanut butter, and strong exports of **SPAM®** luncheon meat. Earnings growth was driven by improved performance in China and increased exports.

### **Specialty Foods**

- Volume down 8%; Organic volume down 1%
- Net sales down 9%; Organic net sales down 2%
- Segment profit down 21%

Sales and earnings declines were mainly related to lower results from **MUSCLE MILK®** ready-to-drink protein products in the convenience store channel.

### **CONFERENCE CALL**

A conference call will be webcast at 8:30 a.m. CT on Tuesday, November 21, 2017. Access is available at [www.hormelfoods.com](http://www.hormelfoods.com). The call will also be available via telephone by dialing 888-394-8218 and providing the access code 5906948. An audio replay is available by going to [www.hormelfoods.com](http://www.hormelfoods.com) and clicking on *Investors*. The webcast replay will be available at 11:30 a.m. CT, Tuesday, November 21, 2017, and will remain on the website for one year.

### **ABOUT HORMEL FOODS - Inspired People. Inspired Food.™**

Hormel Foods Corporation, based in Austin, Minn., is a global branded food company with over \$9 billion in annual revenues across more than 80 countries worldwide. Its brands include *Skippy®*, *SPAM®*, *Hormel® Natural Choice®*, *Applegate®*, *Justin's®*, *Wholly Guacamole®*, *Hormel® Black Label®* and more than 30 other beloved brands. The company is a member

of the S&P 500 Index and the S&P 500 Dividend Aristocrats, was named one of “The 100 Best Corporate Citizens” by Corporate Responsibility Magazine for the ninth year in a row, and has received numerous other awards and accolades for its corporate responsibility and community service efforts. In 2016, the company celebrated its 125th anniversary and announced its new vision for the future - Inspired People. Inspired Food.™ - focusing on its legacy of innovation. For more information, visit [www.hormelfoods.com](http://www.hormelfoods.com) and <http://csr.hormelfoods.com/>.

## **FORWARD-LOOKING STATEMENTS**

This news release contains forward-looking information based on management’s current views and assumptions. Actual events may differ materially. Please refer to the cautionary statement regarding Forward-Looking Statements and Risk Factors which appear on pages 32 - 39 in the company’s Form 10-Q for the quarter ended July 30, 2017, which can be accessed at [www.hormelfoods.com](http://www.hormelfoods.com) under “Investors-SEC Filings.”

## **COMPARISON OF U.S. GAAP TO NON-GAAP FINANCIAL MEASUREMENTS**

The non-GAAP adjusted financial measurements of organic net sales and organic volume are presented to provide investors additional information to facilitate the comparison of past and present operations. The company believes these non-GAAP financial measurements provide useful information to investors because they are the measurements used to evaluate performance on a comparable year-over-year basis. Non-GAAP measurements are not intended to be a substitute for U.S. GAAP measurements in analyzing financial performance. These non-GAAP measurements are not in accordance with generally accepted accounting principles and may be different from non-GAAP measures used by other companies.

Organic net sales and organic volume are defined as net sales and volume excluding the impact of acquisitions, divestitures and the impact of the 53<sup>rd</sup> reporting week in 2016. Organic net sales and organic volume exclude the impacts of the acquisition of Justin’s (May 2016) in Grocery Products, the acquisition of Fontanini Italian Meats and Sausages (August 2017) and the divestiture of Farmer John (January 2017) in Refrigerated foods, the divestiture of Diamond Crystal Brands (May 2016) from Specialty Products, and the acquisition of Ceratti (August 2017) in International. The tables below show the calculations to reconcile from the non-GAAP adjusted measures to the GAAP measures in the fourth quarter and the full year of fiscal 2016 and fiscal 2017.

4th Quarter Volume (lbs.) (in thousands)	FY 2017				FY 2016					Organic % change
	Reported (GAAP)	Acquisitions	Divestitures	Organic (Non-GAAP)	Reported (GAAP)	Acquisitions	Divestitures	53rd Week	Organic (Non-GAAP)	
Grocery Products	249,141	-	-	249,141	258,386	-	-	(18,456)	239,930	3.8%
Refrigerated Foods	547,196	(16,727)	-	530,469	658,506	-	(95,246)	(40,233)	523,027	1.4%
Jennie-O Turkey Store	270,175	-	-	270,175	291,587	-	-	(20,828)	270,759	(0.2%)
Specialty Foods	117,344	-	-	117,344	127,053	-	-	(9,075)	117,978	(0.5%)
International & Other	91,414	(7,884)	-	83,530	85,454	-	-	(6,104)	79,350	5.3%
<b>Total Volume</b>	<b>1,275,270</b>	<b>(24,611)</b>	<b>-</b>	<b>1,250,659</b>	<b>1,420,986</b>	<b>-</b>	<b>(95,246)</b>	<b>(94,696)</b>	<b>1,231,044</b>	<b>1.6%</b>

Net Sales (in thousands)	FY 2017				FY 2016					Organic % change
	Reported (GAAP)	Acquisitions	Divestitures	Organic (Non-GAAP)	Reported (GAAP)	Acquisitions	Divestitures	53rd Week	Organic (Non-GAAP)	
Grocery Products	\$ 489,169	\$ -	\$ -	\$ 489,169	\$ 491,724	\$ -	\$ -	\$ (35,123)	\$ 456,601	7.1%
Refrigerated Foods	1,166,661	(44,450)	-	1,122,211	1,237,276	-	(123,256)	(79,573)	1,034,447	8.5%
Jennie-O Turkey Store	484,856	-	-	484,856	541,409	-	-	(38,672)	502,737	(3.6%)
Specialty Foods	196,792	-	-	196,792	216,674	-	-	(15,477)	201,197	(2.2%)
International & Other	155,130	(9,152)	-	145,978	140,858	-	-	(10,061)	130,797	11.6%
<b>Total Net Sales</b>	<b>\$ 2,492,608</b>	<b>\$ (53,602)</b>	<b>\$ -</b>	<b>\$ 2,439,006</b>	<b>\$ 2,627,941</b>	<b>\$ -</b>	<b>\$ (123,256)</b>	<b>\$ (178,906)</b>	<b>\$ 2,325,779</b>	<b>4.9%</b>

Full Year Volume (lbs.) (in thousands)	FY 2017				FY 2016					Organic % change
	Reported (GAAP)	Acquisitions	Divestitures	Organic (Non-GAAP)	Reported (GAAP)	Acquisitions	Divestitures	53rd Week	Organic (Non-GAAP)	
Grocery Products	916,643	(6,430)	-	910,213	906,202	-	-	(18,456)	887,746	2.5%
Refrigerated Foods	2,180,407	(16,727)	(80,454)	2,083,226	2,493,358	-	(375,017)	(40,233)	2,078,108	0.2%
Jennie-O Turkey Store	890,518	-	-	890,518	902,073	-	-	(20,828)	881,245	1.1%
Specialty Foods	458,022	-	-	458,022	583,267	-	(133,733)	(9,075)	440,459	4.0%
International & Other	324,895	(7,884)	-	317,011	307,127	-	-	(6,104)	301,023	5.3%
<b>Total Volume</b>	<b>4,770,485</b>	<b>(31,041)</b>	<b>(80,454)</b>	<b>4,658,990</b>	<b>5,192,027</b>	<b>-</b>	<b>(508,750)</b>	<b>(94,696)</b>	<b>4,588,581</b>	<b>1.5%</b>

Net Sales (in thousands)	FY 2017				FY 2016					Organic % change
	Reported (GAAP)	Acquisitions	Divestitures	Organic (Non-GAAP)	Reported (GAAP)	Acquisitions	Divestitures	53rd Week	Organic (Non-GAAP)	
Grocery Products	\$ 1,761,105	\$ (43,146)	\$ -	\$ 1,717,959	\$ 1,684,756	\$ -	\$ -	\$ (35,123)	\$ 1,649,633	4.1%
Refrigerated Foods	4,403,732	(44,450)	(100,231)	4,259,051	4,647,173	-	(493,618)	(79,573)	4,073,982	4.5%
Jennie-O Turkey Store	1,663,160	-	-	1,663,160	1,740,968	-	-	(38,672)	1,702,296	(2.3%)
Specialty Foods	794,508	-	-	794,508	939,134	-	(140,084)	(15,477)	783,573	1.4%
International & Other	545,014	(9,152)	-	535,862	511,193	-	-	(10,061)	501,132	6.9%
<b>Total Net Sales</b>	<b>\$ 9,167,519</b>	<b>\$ (96,748)</b>	<b>\$ (100,231)</b>	<b>\$ 8,970,540</b>	<b>\$ 9,523,224</b>	<b>\$ -</b>	<b>\$ (633,702)</b>	<b>\$ (178,906)</b>	<b>\$ 8,710,616</b>	<b>3.0%</b>

Statements Follow

4

**HORMEL FOODS CORPORATION**  
**SEGMENT DATA**  
**(Unaudited) (In thousands)**

	<b>FOURTH QUARTER</b>		
	<b>13 WEEKS ENDED</b>	<b>14 WEEKS ENDED</b>	<b>% Change</b>
	<b>October 29, 2017</b>	<b>October 30, 2016</b>	
<b>NET SALES</b>			
Grocery Products	\$ 489,169	\$ 491,724	(0.5)
Refrigerated Foods	1,166,661	1,237,276	(5.7)
Jennie-O Turkey Store	484,856	541,409	(10.4)
Specialty Foods	196,792	216,674	(9.2)
International & Other	155,130	140,858	10.1
<b>Total</b>	<b>\$ 2,492,608</b>	<b>\$ 2,627,941</b>	<b>(5.1)</b>
<b>OPERATING PROFIT</b>			
Grocery Products	\$ 88,915	\$ 82,734	7.5
Refrigerated Foods	145,613	168,040	(13.3)
Jennie-O Turkey Store	70,370	92,299	(23.8)
Specialty Foods	15,933	20,182	(21.1)
International & Other	23,113	19,570	18.1
<b>Total segment operating profit</b>	<b>343,944</b>	<b>382,825</b>	<b>(10.2)</b>
Net interest and investment (income) expense	(639)	1,017	(162.8)
General corporate expense	14,783	17,325	(14.7)
Less: Noncontrolling interest	209	250	(16.4)
<b>Earnings before income taxes</b>	<b>\$ 330,009</b>	<b>\$ 364,733</b>	<b>(9.5)</b>

	<b>YEAR TO DATE</b>		
	<b>52 WEEKS ENDED</b>	<b>53 WEEKS ENDED</b>	<b>% Change</b>
	<b>October 29, 2017</b>	<b>October 30, 2016</b>	
<b>NET SALES</b>			
Grocery Products	\$ 1,761,105	\$ 1,684,756	4.5
Refrigerated Foods	4,403,732	4,647,173	(5.2)
Jennie-O Turkey Store	1,663,160	1,740,968	(4.5)
Specialty Foods	794,508	939,134	(15.4)
International & Other	545,014	511,193	6.6
<b>Total</b>	<b>\$ 9,167,519</b>	<b>\$ 9,523,224</b>	<b>(3.7)</b>
<b>OPERATING PROFIT</b>			
Grocery Products	\$ 290,809	\$ 268,461	8.3

Refrigerated Foods	587,929	585,652	0.4
Jennie-O Turkey Store	247,322	329,427	(24.9)
Specialty Foods	96,828	110,917	(12.7)
International & Other	85,304	78,409	8.8
<b>Total segment operating profit</b>	<b>1,308,192</b>	<b>1,372,866</b>	<b>(4.7)</b>
Net interest and investment expense (income)	1,824	6,680	(72.7)
General corporate expense	28,091	49,436	(43.2)
Less: Noncontrolling interest	368	465	(20.9)
<b>Earnings before income taxes</b>	<b>\$ 1,278,645</b>	<b>\$ 1,317,215</b>	<b>(2.9)</b>

5

**HORMEL FOODS CORPORATION**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited) (In thousands, except per share amounts)

	<u>Thirteen</u> <u>Weeks Ended</u> <u>October 29,</u> <u>2017</u>	<u>Fourteen</u> <u>Weeks Ended</u> <u>October 30,</u> <u>2016</u>	<u>Fifty-Two</u> <u>Weeks Ended</u> <u>October 29,</u> <u>2017</u>	<u>Fifty-Three</u> <u>Weeks Ended</u> <u>October 30,</u> <u>2016</u>
Net sales	\$ 2,492,608	\$ 2,627,941	\$ 9,167,519	\$ 9,523,224
Cost of products sold	<u>1,981,054</u>	<u>2,029,421</u>	<u>7,164,356</u>	<u>7,365,049</u>
<b>GROSS PROFIT</b>	<b>511,554</b>	<b>598,520</b>	<b>2,003,163</b>	<b>2,158,175</b>
Selling, general and administrative	194,218	244,006	762,104	871,974
Goodwill/intangible impairment	180	—	180	991
Equity in earnings of affiliates	<u>12,214</u>	<u>11,236</u>	<u>39,590</u>	<u>38,685</u>
<b>OPERATING INCOME</b>	<b>329,370</b>	<b>365,750</b>	<b>1,280,469</b>	<b>1,323,895</b>
Other income & expenses:				
Interest & investment income	4,216	2,271	10,859	6,191
Interest expense	<u>(3,577)</u>	<u>(3,288)</u>	<u>(12,683)</u>	<u>(12,871)</u>
<b>EARNINGS BEFORE INCOME TAXES</b>	<b>330,009</b>	<b>364,733</b>	<b>1,278,645</b>	<b>1,317,215</b>
Provision for income taxes (effective tax rate)	<u>111,646</u> 33.83%	<u>120,543</u> 33.05%	<u>431,542</u> 33.75%	<u>426,698</u> 32.39%
<b>NET EARNINGS</b>	<b>218,363</b>	<b>244,190</b>	<b>847,103</b>	<b>890,517</b>
Less: net earnings attributable to noncontrolling interest	<u>209</u>	<u>250</u>	<u>368</u>	<u>465</u>
<b>NET EARNINGS ATTRIBUTABLE TO HORMEL FOODS CORPORATION</b>	<b>\$ 218,154</b>	<b>\$ 243,940</b>	<b>\$ 846,735</b>	<b>\$ 890,052</b>
<b>NET EARNINGS PER SHARE</b>				
Basic	<u>\$ 0.41</u>	<u>\$ 0.46</u>	<u>\$ 1.60</u>	<u>\$ 1.68</u>
Diluted	<u>\$ 0.41</u>	<u>\$ 0.45</u>	<u>\$ 1.57</u>	<u>\$ 1.64</u>
<b>WEIGHTED AVG. SHARES OUTSTANDING</b>				

Basic	527,990	528,778	528,363	529,290
Diluted	537,952	541,312	539,116	542,473
<b>DIVIDENDS DECLARED PER SHARE</b>	<b>\$ 0.170</b>	<b>\$ 0.145</b>	<b>\$ 0.68</b>	<b>\$ 0.58</b>

6

**HORMEL FOODS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited) (In thousands)

	<u>October 29, 2017</u>	<u>October 30, 2016</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 444,122	\$ 415,143
Accounts receivable	618,351	591,310
Inventories	921,022	985,683
Income taxes receivable	22,346	18,282
Prepaid expenses	16,144	13,775
Other current assets	<u>4,538</u>	<u>5,719</u>
TOTAL CURRENT ASSETS	2,026,523	2,029,912
DEFERRED INCOME TAXES	-	6,223
INTANGIBLES	3,146,827	2,737,755
OTHER ASSETS	599,307	490,728
PROPERTY, PLANT & EQUIPMENT, NET	<u>1,203,251</u>	<u>1,105,449</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 6,975,908</u></b>	<b><u>\$ 6,370,067</u></b>

LIABILITIES AND SHAREHOLDERS' INVESTMENT

CURRENT LIABILITIES	\$ 1,058,212	\$1,053,196
LONG-TERM DEBT – LESS CURRENT MATURITIES	250,000	250,000
DEFERRED INCOME TAXES	98,410	-
OTHER LONG-TERM LIABILITIES	629,589	615,465
SHAREHOLDERS' INVESTMENT	<u>4,939,697</u>	<u>4,451,406</u>
<b>TOTAL LIAB. &amp; SHAREHOLDERS' INVESTMENT</b>	<b><u>\$ 6,975,908</u></b>	<b><u>\$ 6,370,067</u></b>

7

**HORMEL FOODS CORPORATION**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**



(Unaudited) (In thousands)

	<u>Fifty-Two</u> <u>Weeks Ended</u> <u>October 29, 2017</u>	<u>Fifty-Three</u> <u>Weeks Ended</u> <u>October 30, 2016</u>
<b>OPERATING ACTIVITIES</b>		
Net earnings	\$ 847,103	\$ 890,517
Depreciation and amortization of intangibles	130,977	131,968
Goodwill/intangible impairment	180	991
Decrease (increase) in working capital	303	(51,425)
Other	31,633	20,797
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>1,010,196</u></b>	<b><u>992,848</u></b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of business	135,944	110,149
Acquisitions of businesses/intangibles	(520,463)	(280,889)
Net purchases of property/equipment	(217,276)	(249,297)
Decrease (increase) in investments, equity in affiliates, and other assets	8,792	11,078
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b><u>(593,003)</u></b>	<b><u>(408,959)</u></b>
<b>FINANCING ACTIVITIES</b>		
Net (payments) proceeds from short-term debt	-	(185,000)
Dividends paid on common stock	(346,010)	(296,493)
Share repurchase	(94,487)	(87,885)
Other	51,239	59,732
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b><u>(389,258)</u></b>	<b><u>(509,646)</u></b>
Effect of exchange rate changes on cash	1,044	(6,339)
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b><u>28,979</u></b>	<b><u>67,904</u></b>
Cash and cash equivalents at beginning of year	415,143	347,239
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 444,122</u></b>	<b><u>\$ 415,143</u></b>