



**ANNUAL REPORT**



## DIRECTORS

Julius W. Abernethy  
Chairman of the Board  
Industrialist, Newton, N. C.

Julius W. Abernethy, Jr.  
President Carolina Glove Co.  
Newton, N. C.

Hurshell H. Keener  
Attorney at Law  
Hickory, N. C.

Caldwell Ragan, Sr.  
Retired Textile Executive  
Gastonia, N. C.

Joseph L. Barnett  
Secretary-Treasurer  
Perfection Spinning Co.  
South Fork Mfg. Co.  
Belmont, N. C.

Joseph A. Moretz  
Secretary-Treasurer  
Maxwell-Royal Chair Co.  
Hickory, N. C.

O. Leonard Moretz  
President, Carolina Mills, Inc.  
Maiden, N. C.

Edward P. Schrum  
Vice President, Carolina Mills, Inc.  
Maiden, N. C.

R. P. Caldwell  
President, R. P. Caldwell & Co.  
Gastonia, N. C.

Stewart Materne  
Vice President  
First and Merchants National Bank  
Richmond, Va.

T. P. Pruitt, Jr.  
Vice President, Carolina Mills, Inc.  
Maiden, N. C.

J. L. Thompson, Jr.  
Secretary, Carolina Mills, Inc.  
Maiden, N. C.



Julius W. Abernethy

## OFFICERS

J. W. Abernethy, Sr.  
Chairman of the Board

O. Leonard Moretz  
President-Treasurer

Edward Schrum  
Vice President in Charge  
of Manufacturing

T. P. Pruitt, Jr.  
Vice President in Charge  
of Fabric Marketing

J. L. Thompson, Jr.  
Secretary and Assistant Treasurer

## HIGHLIGHTS OF THE YEAR

	Year Ended	
	September 27 1969	September 28 1968
<b>Operations:</b>		
Dollar Value of Sales	\$30,689,587	\$30,122,988
Earnings Before Income Taxes	1,020,036	1,581,139
Net Income After Taxes	610,436	825,892
Depreciation and Amortization for Year	1,299,837	1,195,947
Cash Flow for Year	1,910,273	2,021,839
<b>Financial Position:</b>		
Working Capital	4,351,738	5,445,594
Long Term Debt	2,961,538	3,230,769
Total Assets	20,215,051	18,486,949
Stockholders' Equity	10,927,682	10,677,705
Shares Outstanding - Year End	3,373,344	3,275,152
<b>Per Share of Stock:</b>		
Earnings After Taxes	18.10¢	25.22¢
Cash Flow	56.63¢	61.73¢
Cash Dividends	12.00¢	12.00¢
Book Value at End of Year	\$ 3.24	\$ 3.26

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## PRESIDENT'S MESSAGE

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The knitting segment of our textile industry has continued to zoom ahead. The development of open width finishing of knitted fabrics in our MOBILL TEXTILES plant at Wilmington, North Carolina has been slower than anticipated but our growth has been substantial, and we are now in production on a two shift basis. Prospects are for a very profitable operation at this plant, and the high quality of workmanship being performed there will further increase our prestige in the textile field.

We have encountered some rough spots in our sales yarn program - supervisory problems at one plant and

inadequate orders at others. Our venture into twisting yarns from section beams in the old spinning plant at Maiden has been most expensive. Corrective steps have been taken to overcome these various problems and I look for an improvement in our operations next year even though the picture is not too bright for our economy as a whole.



Leonard Moretz  
President



## PROGRESS & PROFITS VIA MOBILITY

Good service, in today's American textile market, is an invaluable asset. Seldom has maintenance of inventory of finished goods and delivery of these goods been as important as in today's market.

Centralization of warehousing has proved to be the key to improved service and cost control through effective labor utilization. Maiden has become headquarters for our Blending Room, Central Warehouse for both finished goods and raw materials, as well as home base for our Trucking Department.

Centralized control has reduced costs and increased profits in our entire operation. It has minimized space and labor requirements at our various plants because we receive all raw materials, store finished goods, and prepare both for carefully controlled distribution at Maiden.

By virtue of centralized warehousing - one man and his crew is responsible for receiving all raw materials instead of having a man and crew at each plant. This crew is responsible for receiving over 40 million pounds of raw stock annually. The same is true for shipping finished goods. One man and his department is responsible for all shipments instead of each plant being responsible for shipping its production.

Central warehousing also permits the consolidation of shipments from various plants going to the same customer. Pallets are used with fork lift trucks in the warehouse to utilize all existing space, floor to ceiling. We have in effect, gained additional warehouse space by stacking palletized goods.

Another important facet of materials handling for greater profit production is ownership of our own truck fleet. Since 1946, Carolina Mills has owned and operated their own trucks. Twenty-three years ago, we began with only two straight trucks. Today, our Trucking Department owns, operates and maintains a fleet of twenty-six units: eleven tractor-and-trailer rigs (for out of state trips) and fifteen two-ton trucks (for local or regional runs).

We have an excellent group of drivers and maintenance people who are proud of "their trucking operation." Their cooperative spirit makes for better public relations with our customers and the public at large. Our drivers frequently help customers place delivered materials exactly where wanted or needed and are excellent "salesmen" for our entire organization.

Centralization of trucking affords better cost control. We charge customers the same freight rate as commercial carriers, or a flat rate per trip; therefore the trucking operation returns a modest profit to the company, but more importantly, better service to our customers.

With fewer but more carefully selected and better trained shipping clerks at our Central Warehouse we can maintain tighter

schedules. Trips are planned to be productive both ways, going and coming. Trucks taking raw materials to plants are scheduled to return with a load of finished goods. Trucks delivering finished goods to our customers return with staples or chemicals for our Central Warehouse in Maiden. Less than five per cent of return loads are empty.

Our long haul tractor-trailer rigs, with two drivers each, average two out of state trips per week. Each unit averages more than one hundred thousand miles annually. We are proud of our excellent safety record, having lost only two units in our more than twenty years of trucking operations.

At Carolina Mills we are creating products for many varied end uses. Blends of synthetic fibers with different dye characteristics demand careful controls.

Careful blending and double-blending is accomplished in our Central Blending Room. Uniform blend level for constant quality and controlled dyeing or successful cross-dyeing, is a must. Portions of many bales are blended to maintain desired uniformity. After fibers are blended to specified levels, raw materials are stored in the blending area for daily dispatch to various plants.

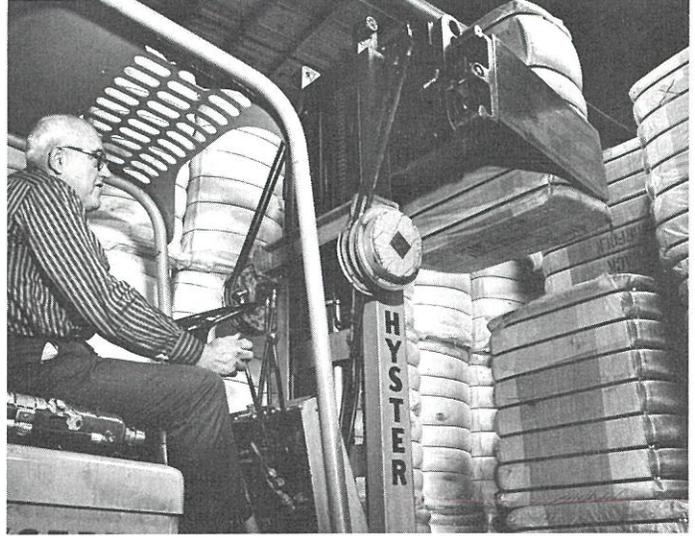
Creating yarns and fabrics of controlled quality and blends is necessary for today's new textile industry. It's not easy nor is it cheap - yet it must be done.



In our maintenance shop, Winfred Sipes, Floyd Moses and Clyde Hatchett discuss care of a new Kenworth unit.



Lewis Albright, Bill Devine and Ray Lutz inspect a bale of stock ready to come out of the press, already processed.



Hicks Curtis operates a fork lift truck in warehousing of raw materials, carefully stacking to conserve space.



William Rumpfelt and Leonard Moose operate pallet-lifting fork trucks on first floor of our central warehouse.



William Rumpfelt, C. D. Mungro and Carl Sain load one of our own trucks with yarn for prompt delivery.



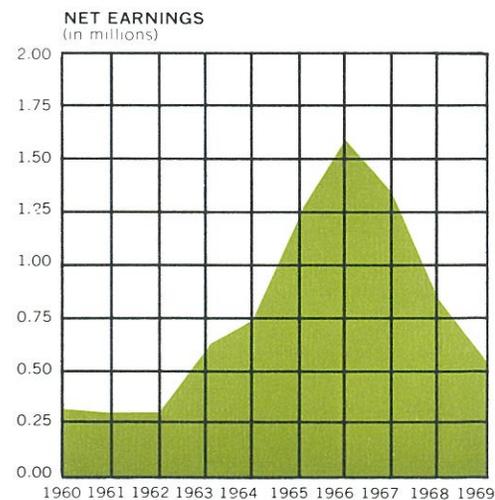
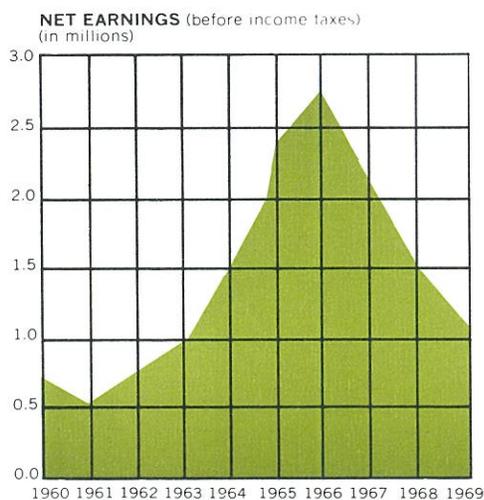
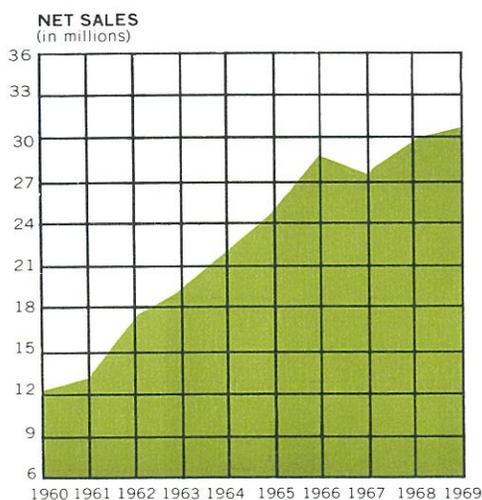
At our central warehouse: part of our own truck fleet lined up for loading more goods to be delivered promptly.

## TEN YEARS IN REVIEW



	1969	1968
NET SALES . . . . .	\$30,689,587	\$30,122,988
Net Earnings before Income Taxes . . . . .	1,020,036	1,581,139
Income Taxes . . . . .	409,600	755,247
Net Earnings . . . . .	610,436	825,892
Dividends Paid . . . . .	945,219	917,676
Earnings Retained in Business . . . . .	4,986,008	5,275,397
Working Capital . . . . .	4,351,738	5,445,594
Plant and Equipment — Less Depreciation . . . . .	9,052,806	8,312,920
Stockholders Equity . . . . .	10,927,682	10,677,705
Shares of Stock Outstanding . . . . .	3,373,344	3,275,152
Book Value Per Share . . . . .	\$3.24	\$3.26
Per Share of Stock		
Net Earnings . . . . .	18.1¢	25.2¢
Dividends — Cash . . . . .	12.0¢	12.0¢
— Stock . . . . .	3.0%	3.0%
Cash Flow . . . . .	56.6¢	61.7¢

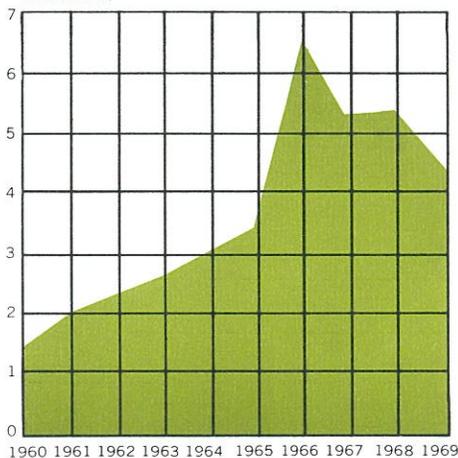
(1) Trenton Cotton Mills, Inc., merged into Carolina Mills, Inc. in year 1961 and treated as a "pooling of interest".



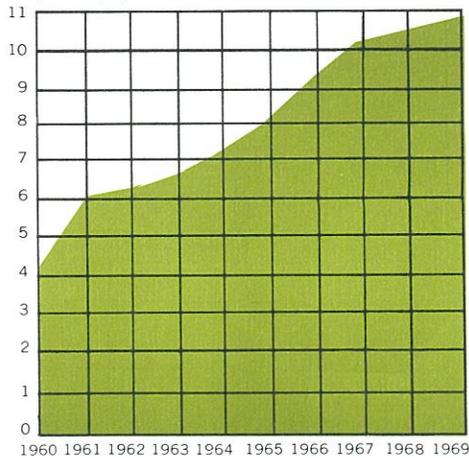
1967	1966	1965	1964	1963	1962	1961	1960
\$27,889,841	\$29,023,599	\$24,466,966	\$21,797,283	\$19,907,332	\$17,711,771	\$13,289,647	\$11,945,711
2,090,968	2,729,246	2,364,745	1,550,406	978,971	705,505	537,039	730,394
749,760	1,211,920	1,092,273	765,629	321,915	411,414	268,329	399,367
1,341,208	1,517,326	1,272,472	784,777	657,056	294,091	268,710	331,027
937,200	1,022,048	533,876	292,407	248,184	233,628	212,010	160,665
5,367,181	4,965,878	4,432,326	3,681,167	3,183,078	2,773,661	2,674,908(1)	1,534,557
5,212,751	6,280,310	3,541,182	3,102,206	2,716,423	2,249,107	2,045,428	1,355,072
8,263,424	6,266,795	4,565,615	4,066,788	4,056,121	4,053,319	4,459,507	2,932,428
10,244,273	9,287,858	8,089,813	7,084,008	6,572,302	6,163,290	6,055,433	4,317,400
3,179,470	3,086,927	2,993,131	2,926,518	2,921,723	2,921,723	2,916,723(1)	2,016,723
\$3.22	\$3.01	\$2.70	\$2.42	\$2.25	\$2.11	\$2.08	\$2.14

42.2¢	49.2¢	42.5¢	26.8¢	22.5¢	10.1¢	9.2¢	16.4¢
12.0¢	12.0¢	10.0¢	10.0¢	8.5¢	8.0¢	7.3¢	8.0¢
3.0%	3.0%	2%					
74.5¢	76.9¢	67.3¢	50.0¢	43.4¢	29.8¢	21.7¢	30.2¢

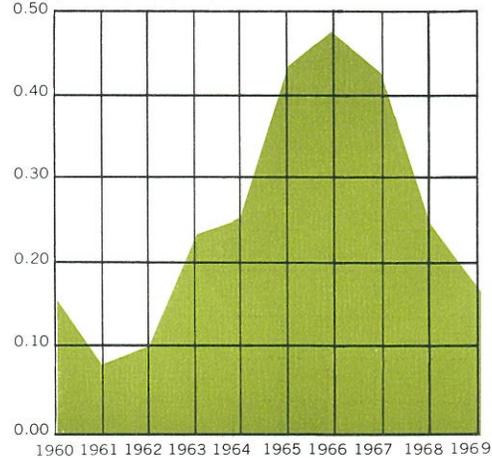
**WORKING CAPITAL**  
(in millions)



**STOCKHOLDER'S EQUITY**  
(in millions)



**NET EARNINGS (per share of stock)**  
(in units of a dollar)





# CAROLINA MILLS, INC.

## STATEMENT OF CONDITION

	September 27 1969	September 28 1968
<b>Assets</b>		
Current Assets:		
Cash . . . . .	661,159	1,008,950
Notes Receivable . . . . .	72,369	79,304
Accounts Receivable, Less Allowances of \$150,000 . . . . .	3,696,780	3,365,692
Inventories, at Lower of Cost or Market (Note B) . . . . .	5,717,366	5,221,147
Prepaid Expenses . . . . .	381,886	348,976
Prepaid Federal Income Taxes . . . . .	148,009	
Total Current Assets . . . . .	<u>10,677,569</u>	<u>10,024,069</u>
Investments — at Cost (Note C) . . . . .	<u>60,591</u>	<u>36,426</u>
Fixed Assets:		
Land . . . . .	126,266	106,812
Buildings and Equipment . . . . .	18,283,065	16,344,939
Total . . . . .	18,409,331	16,451,751
Less — Accumulated Depreciation . . . . .	9,356,525	8,138,831
Depreciated Cost . . . . .	<u>9,052,806</u>	<u>8,312,920</u>
Other Assets:		
Cash Value of Life Insurance . . . . .	72,332	69,935
Other Notes and Accounts Receivable . . . . .	8,316	23,078
Advances to Subsidiary (Note A) . . . . .	325,299	
Deposits . . . . .	1,642	2,493
Deferred Loan Expense . . . . .	16,497	18,028
Total Other Assets . . . . .	<u>424,086</u>	<u>113,534</u>
Totals . . . . .	<u>20,215,052</u>	<u>18,486,949</u>

	September 27 1969	September 28 1968
<b>Liabilities and Stockholders Equity</b>		
Current Liabilities:		
Notes Payable		
Occidental Life Insurance Co. — Current . . . . .	269,231	269,231
Banks . . . . .	4,000,000	2,160,000
Other . . . . .	20,000	20,000
Accounts Payable . . . . .	1,231,278	1,069,066
Accrued Accounts . . . . .	661,090	719,555
Federal and State Income Taxes (Notes D and G) . . . . .	144,232	340,623
Total Current Liabilities . . . . .	<u>6,325,831</u>	<u>4,578,475</u>
Long-Term Debt (Note E) . . . . .	<u>2,961,538</u>	<u>3,230,769</u>
Total Liabilities . . . . .	<u>9,287,369</u>	<u>7,809,244</u>
Stockholders' Equity		
Capital Stock — Common		
Authorized 5,000,000 shares \$1.00 Par		
Issued and Outstanding 3,373,344 — 1969 . . . . .	3,373,344	3,275,152
Capital Surplus . . . . .	2,568,330	2,127,156
Retained Earnings . . . . .	4,986,008	5,275,397
Total Stockholders' Equity . . . . .	<u>10,927,682</u>	<u>10,677,705</u>
Totals . . . . .	<u>20,215,053</u>	<u>18,486,949</u>

See Accompanying Footnotes which are integral part of the Financial Statements.

## FOOTNOTES TO FINANCIAL STATEMENTS

September 27, 1969

**Note A.** The principles of consolidation was to include the parent corporation, Carolina Mills, Inc., and its wholly owned subsidiary, Carolina Maiden Corporation, Maiden, N. C., and to eliminate all intercompany transactions and intercompany balances at September 27, 1969.

During the period under review the acquisition of MoBill Textiles, Inc., Wilmington, N. C., was completed. The entire issued and outstanding common capital stock was acquired at a cost of \$2,230.04. MoBill Textiles, Inc. closed its fiscal year on May 31, 1969, at which time it had a deficit in Shareholders' Equity in the amount of \$395,208.29. The ownership of MoBill Textiles is carried on the financial statements at cost of \$2,230.04 at September 27, 1969. Advances to the subsidiary amounted to \$325,299.28 at September 27, 1969.

**Note B.** Inventories at September 27, 1969, in the amount of \$5,717,366.10 were priced at the lower of cost or market, cost being determined at actual for raw materials on a first-in first-out basis. Stock-in-Process and finished yarn and cloth are priced using cost of raw materials and standard cost for labor and burden. Slow moving finished goods included in the inventories have been reduced below cost or market to give consideration to aging. Inventories consisted of the following:

Finished Yarn and Cloth . . . . .	\$3,389,202.45
Stock-in-Process . . . . .	1,085,659.97
Raw Materials . . . . .	1,151,519.43
Supplies and Chemicals . . . . .	<u>90,984.25</u>
Total . . . . .	<u>\$5,717,366.10</u>

**Note C.** Investments pledged represent \$17,326.80 in building and loan stock left with the building and loan associations to add additional security to deeds of trust covering purchase of village houses by employees of the company. The amount of the liability cannot exceed the amount of the certificate of deposit with the building and loan associations. The fair market value of investments at September 27, 1969, approximated \$119,776.80.

**Note D.** Investment tax credit for the current year ended September 27, 1969, amounted to \$135,150.12. The company has adopted the method of treating the credit as a reduction of Federal income taxes of the year in which the credit arises. For the year ended September 28, 1968, the investment credit was \$71,716.61 and the flow-through method was consistently used.

**Note E.** A fifteen year long-term loan agreement with Occidental Life Insurance Company of California, Los Angeles, California was entered into on June 27, 1966. The loan in the amount of \$3,500,000.00 was dated August 1, 1966, with interest payable at 6-1/8% per annum. The loan specifies quarterly payments of principal in the amount of \$67,307.69 beginning November 1, 1968, with the last payment to be made on August 1, 1981. Restrictive covenants of the loan agreement were fully complied with for the year ended September 27, 1969. Unpaid Balance of the loan at September 27, 1969, was \$3,230,769.24.

**Note F.** Lease agreements for the rental of textile machinery and equipment totaling \$7,220,907.01 were in effect as of September 27, 1969. The company had made payments against the leases in the total amount of \$4,103,398.70, leaving an unpaid balance of \$3,117,508.31. In addition the company leases certain textile finishing equipment on a production basis. The terms of the leases are normally for eight years payable on a straight-line basis. We show below lease payments for the six years ended September 27, 1969.

1969	\$714,450.00
1968	790,494.00
1967	485,444.00
1966	340,944.00
1965	308,623.00
1964	272,385.00

Lease payments for the year ending September 30, 1970 are scheduled in the amount of \$616,105.00.

**Note G.** State and Federal income tax returns have been examined and settled through the fiscal year ended September 30, 1968.

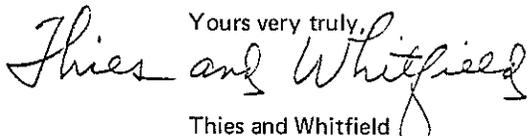
**Note H.** During the year under review a 3% stock dividend was paid which amounted to 97,992 shares. Retained earnings was charged in the amount of \$538,965.00, the market value of shares issued. Capital surplus was credited with the excess over par value, which amounted to \$440,964.00. Capital surplus account also was increased by sales of stock at a premium in the amount of \$210.00.

**Note I. Pension Plan**

The company and its subsidiary have a pension plan covering all employees with five (5) years service. The plan is self administered with an independent trustee and an independent actuary. The company's accounting and funding policy is to fund the current years cost as computed by the independent actuary. In addition to the current years' pension cost, the company pays an interest factor of 3½ per cent on the past service cost. For the fiscal year ended September 27, 1969, the pension plan expense amounted to \$122,646.08. The past service cost, which has not been funded amounted to approximately \$679,700.00 at September 27, 1969.

## ACCOUNTANTS' OPINION

In our opinion, the accompanying balance sheet and statement of earnings and retained earnings, including footnotes, present fairly the financial position of Carolina Mills, Inc. and its Wholly Owned Subsidiary, Carolina Maiden Corporation, Maiden, N. C., at September 27, 1969, and the results of its operations for the year (fifty two weeks) then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Yours very truly,  
  
 Thies and Whitfield  
 Certified Public Accountants

## THE YEAR IN REVIEW

The year 1969 was a period of adjustment - adjustment of our sales programs to the expansion in capacity of previous years - adjustment in the sense of added diversification in our operations through the addition of a new finishing plant - MoBill Textiles, Inc., a wholly owned subsidiary. We also have had to adjust to a tight labor market.

We have taken a positive approach to the labor problem. We find that through training and proper introduction in the plant we can reduce the number of new employees leaving the company. A specialist was hired in our Personnel Department to work out a program for training new workers. The purpose of the program is to have new employees become familiar with all phases of the work to be done in their plants and to practice each segment of their job before undertaking to handle production. This has proven to be a very effective way to reach full productive capacity in a short time and should reduce the number of new workers leaving before being fully trained.

Additional benefits were extended to our employees on July 7, 1969. Wages were increased in addition to granting three paid holidays: Labor Day, Thanksgiving, and Easter Monday. We also started paying an attendance bonus of 2% to all workers who completed the work week without being absent. We anticipate these programs will keep our employees happy and further reduce absenteeism.

Several changes were made in our yarn plants. We completed the conversion at Plant 6, in Lincolnton, from producing acrylics to producing polyester yarns. It took several quarters for the results of this change to be felt, but this plant is now operating as anticipated.

At Plant No. 11, our combed thread and specialty yarn plant in Gastonia, we have changed supervisors twice during the last twelve months. Morale at this plant dropped to a low ebb and the quality of merchandise was permitted to slip. Mr. Joe Insoe, who has been with Carolina Mills since 1953, is now in charge of operations and is again proving himself in getting this situation under control.

At Plant No. 12, our fine count yarns producer in Statesville, the entire opening and picking lines were revamped; all old pickers were replaced during the past year. Spinning in the basement is

being converted to twistors by installation of cone creels on frames. The Hi-White Rayon yarn, formerly sent to Maiden for twisting, will be twisted in Statesville in the future. This should substantially reduce the cost of producing these yarns.

At Plant No. 7, our Yarn Processing Center in Maiden, we worked very diligently this past year to establish a program of twisting yarns from section beams on an economically sound basis. At the outset, we encountered difficulties with beaming of yarns. In attempting to overcome this, we devoted much time and attention to winding better cones in our various spinning plants. We also added an air-wash system for humidity and temperature control.

In spite of our efforts, the losses from operation of this unit continue, even though at a lower rate. It is likely that most of the twistors will soon be equipped with creels so twisting can be done from cones rather than section beams. It is anticipated, though, that most of our beamers will continue to operate as we have a number of customers desiring yarn put-up on section beams.

At Plant 14, our producer of decorative fabrics, wearing apparel, and upholstery fabrics in Hickory, we are making machinery additions. During the past year, the demand for furniture covering fabrics increased substantially, and to meet this demand, we placed orders for eighteen Roscher-Gripcomat looms. These are especially designed to handle the heavy novelty types of yarns now going into upholstery fabrics. These looms pull the yarn directly from cones in weaving, thus eliminating the cost and waste resulting from handling quills.

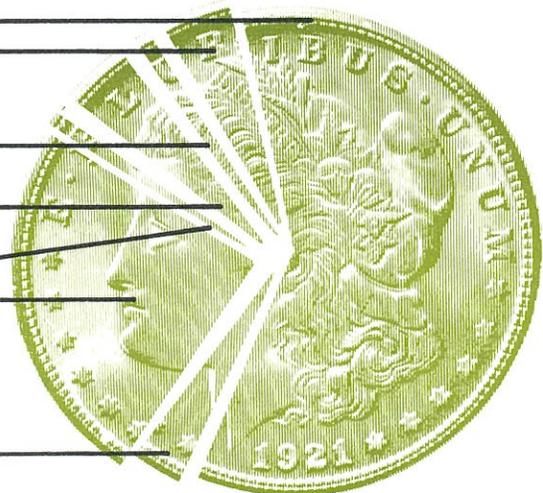
The largest investment during the year was the equipping and starting of production at MoBill Textiles in Wilmington. This unit finishes open-width, double knit fabrics for apparel. The full potential of this plant will not be realized for several more months. However, this plant offers many new opportunities to our company.

In review - the year 1969 was not as profitable as anticipated; however, the ground work has been laid to reduce costs and to improve our operations. Thus we look forward to 1970.

## DISTRIBUTION OF EACH DOLLAR OF INCOME

Year Ended September 27, 1969

Total Income . . . . .	<u>\$30,905,224</u>	<u>100.00%</u>
Cost of Raw Materials, Services and Supplies . . . . .	18,745,907	60.66
Paid in Taxes and Donations . . . . .	666,338	2.16
Paid in Dividends to people whose Savings are Invested in This Business . . . . .	406,263	1.31
Depreciation (Wear and Tear) on Buildings and Equipment . . . . .	1,298,306	4.20
Retained Earnings Used in the Growth of the Business . . . . .	204,172	.66
Cost of Wages and Salaries . . . . .	8,372,166	27.09
*Additional Benefits of Employees (Company's Share of Social Security Taxes, Pension Trust, Group Insurance, Employees Welfare, Vacation Pay and Bonus, and Profit Sharing) . . . . .	<u>1,212,072</u>	<u>3.92</u>
	<u>\$30,905,224</u>	<u>100.00%</u>



\*The average cost of these benefits for each employee, per hour 38¢. Number of employees on Payroll, 1,628 as of 9-29-69.



## STATEMENT OF EARNINGS AND EARNINGS RETAINED

Year Ended September 27, 1969  
With Comparative figures  
for 1968

	Fiscal Year	
	1969	1968
Net Sales . . . . .	\$30,689,587	\$30,122,988
Cost of Sales . . . . .	<u>29,305,344</u>	<u>28,393,600</u>
	1,384,243	1,729,388
Other Deductions (Income) Net . . . . .	<u>364,207</u>	<u>148,249</u>
Net Income Before Income Taxes . . . . .	1,020,036	1,581,139
Provision for Federal and State Income Taxes (footnote D) . . . . .	<u>409,600</u>	<u>755,247</u>
Net Earnings . . . . .	610,436	825,892
Retained Earnings at Beginning of Year . . . . .	<u>5,275,397</u>	<u>5,367,181</u>
	5,885,833	6,193,073
Prior Years Adjustments Occasioned by Revenue Agent's Report . . . . .	<u>45,394</u>	<u>                    </u>
	5,931,227	6,193,073
*Dividends Paid . . . . .	<u>945,219</u>	<u>917,676</u>
Retained Earnings at End of Year . . . . .	<u>4,986,008</u>	<u>5,275,397</u>

\*Quarterly dividends are paid on the following dates:

- January 10th, to Stockholders of Record December 20th
- March 10th, to Stockholders of Record March 1st
- June 10th, to Stockholders of Record June 1st
- September 10th, to Stockholders of Record September 1st

This amount includes value of stock dividend      \$538,956

## SOURCE AND APPLICATION OF FUNDS

### Funds Available

Earnings for Year . . . . .	\$ 610,436
Depreciation & Amortization . . . . .	1,299,837
Sale or Retirement of Assets (Book Value) . . . . .	7,025
Sale of Stock . . . . .	410
Decrease in Other Assets . . . . .	16,966
Decrease in Working Capital . . . . .	<u>1,093,856</u>
	<u>\$3,028,530</u>

### Disposition

Plant and Equipment . . . . .	\$1,955,723
Cash Dividends Paid . . . . .	406,263
Decrease in Term Notes Payable . . . . .	269,231
Advances to Subsidiary . . . . .	325,299
Increase in Investments . . . . .	24,165
Payment Prior Years Income Taxes . . . . .	<u>47,849</u>
	<u>\$3,028,530</u>



## CAROLINA MILLS, INC.

### PLANT LOCATIONS

#### Maiden, North Carolina

General Administrative Offices  
Central Blending Room  
Central Warehouse for Finished Goods and Raw Materials  
Trucking Department  
Laboratory  
Plant No. 1 (Julius W. Abernethy Plant)  
Ultra modern spinning of yarns from man-made fibers  
Plant No. 7 (Yarn Processing Center)  
Plying yarns from several spinning plants

#### Newton, North Carolina

Plant No. 2 – Coarse Yarns  
Plant No. 3 – Canton Flannel  
Plant No. 4 – Commission Finishing of Tubular Knit Goods

#### Statesville, North Carolina

Plant No. 12 – Fine Count Yarns

#### Hickory, North Carolina

Plant No. 14 – Decorative, Wearing Apparel and Upholstery Fabrics

#### Lincolnton, North Carolina

Plant No. 5 – Spun Yarns for the Knitting Trade  
Plant No. 6 – Polyesters

#### Gastonia, North Carolina

Plant No. 11 – Combed Thread and Specialty Yarns

