Five Year Comparison of Selected Supplementary Financial Data Adjusted for Effects of Changing Prices:

In Average 1982 Dollars (except as reported amounts)	(Dollars in Millions, Except Per Share)				
Year Ended or at July 31	**1982**	1981	1980	1979	1978
As Reported:					
Net sales and other revenues	**$5,331**	$5,478	$5,126	$4,662	$3,780
Earnings from continuing operations	**199**	253	214	173	155
Earnings from continuing operations per share—fully diluted	**2.43**	3.01	2.63	2.06	1.85
Net assets (convertible preferred and common stockholders' equity)	**2,177**	2,179	1,666	1,469	1,341
Constant Dollar Information:					
Net sales and other revenues	**5,331**	5,933	6,184	6,381	5,675
Earnings from continuing operations (including gain from decline in purchasing power)	**195**	323	374		
Earnings from continuing operations per share (including gain from decline in purchasing power)	**2.38**	3.85	4.52		
Net assets (convertible preferred and common stockholders' equity)	**3,216**	3,737	3,022		
Current Cost Information:					
Earnings from continuing operations (including gain from decline in purchasing power)	**181**	307	343		
Earnings from continuing operations per share (including gain from decline in purchasing power)	**2.20**	3.66	4.15		
Net assets (convertible preferred and common stockholders' equity)	**3,762**	4,136	3,628		
Increase in general price level over (under) increase in the specific cost changes (current cost) of inventories and property, plant and equipment held during the year	**6**	39	(82)		
Other Information Adjusted for General Inflation:					
Gain from decline in purchasing power of net monetary items	**153**	273	361		
Cash dividends paid per common share:					
As reported	**.75**	.75	.638	.58	.536
In average 1982 constant dollars	**.75**	.81	.770	.79	.805
Market price per common share at year-end:					
As reported	**11.50**	18.75	17.50	13.00	11.30
In average 1982 constant dollars	**11.15**	19.37	20.02	16.83	16.28
Average consumer price index	**283**	262	235	207	189

Report of Independent Auditors

To the Stockholders and Board of Directors
Gulf+Western Industries, Inc.

We have examined the consolidated balance sheet of Gulf+Western Industries, Inc. and subsidiaries as of July 31, 1982 and 1981, and the related consolidated statements of earnings, changes in capital accounts and changes in financial position for each of the three years in the period ended July 31, 1982. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of Gulf+Western Industries, Inc. and subsidiaries at July 31, 1982 and 1981, and the consolidated results of their operations and changes in their financial position for each of the three years in the period ended July 31, 1982, in conformity with generally accepted accounting principles consistently applied during the period, except for the change in 1982, with which we concur, in the method of accounting for foreign currency translation as described in Note A to the consolidated financial statements.

Ernst + Whinney

New York, N.Y.
October 26, 1982

The following trademarks and service marks are owned by the designated Gulf + Western company or affiliate:
Gulf + Western Manufacturing Company—BLISS, EAGLE SIGNAL, EPTAK, TAYLOR FORGE, MORSE, ELCO. Simmons—BEAUTYREST, GEMINI, HIDE-A-BED, HAUSTED. Greeff Fabrics, Inc.—GREEFF. Albert Van Luit & Co.—ALBERT VAN LUIT. Kayser-Roth Corporation—CATALINA, COLE OF CALIFORNIA, NO NONSENSE, EXCELLO, INTERWOVEN, SOCK SENSE, CENTURY, TICA, NAZARETH. Gulf + Western Corporation—DUTCH MASTERS, MURIEL, BACKWOODS, H. UPMANN, DON DIEGO, PRIMO DEL REY, EL PRODUCTO, DUTCH TREATS. SIMON & SCHUSTER, SUMMIT BOOKS, LINDEN PRESS, WEBSTER'S NEW WORLD, SILHOUETTE, FIRST LOVE FROM SILHOUETTE, SILHOUETTE SPECIAL EDITION, POSEIDON PRESS. Paramount Pictures Corporation—HAPPY DAYS, TAXI, STAR TREK, LAVERNE & SHIRLEY, MORK & MINDY. A.P.S., Inc.—APS, BIG ⅄⅄. Madison Square Garden—MADISON SQUARE GARDEN, NEW YORK RANGERS, NEW YORK KNICKS, ROOSEVELT RACEWAY, ARLINGTON PARK RACE TRACK. Symons Corporation—SYMONS. Thonet Industries, Inc.—THONET, CRT. Sega Enterprises, Inc.—SEGA, ZAXXON, FROGGER, PJ PIZZAZZ. Associates First Capital Corp./Associates Corp. of North America—THE ASSOCIATES, EXECU-CHARGE. Energy Development Associates, Inc.—ELECTRIC ENGINE, ELECTRIC LOAD LEVELER.

The following are trademarks or service marks which are used under license by the indicated Gulf + Western company or affiliate:
Kayser-Roth Corporation—LIZ CLAIBORNE, STETSON, CHERYL TIEGS, OSCAR DE LA RENTA, JOHN NEWCOMBE.

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Investor Information

Gulf+Western Industries, Inc. believes in keeping its investors and others fully informed of important corporate developments and services. We welcome your comments, suggestions and questions on any aspect of Gulf+Western's operations.

Automatic Stock Purchase Plan

As a means of allowing you to more fully participate in the growth of our Company, Gulf+Western, through Manufacturers Hanover Trust Company, offers a plan whereby Gulf+Western investors can reinvest their common or preferred dividends or interest payments on Gulf+Western Debentures in shares of Gulf+Western Common Stock automatically and conveniently without service charges or brokerage fees. Participants in the plan also can make monthly cash investments of $10 to $1,000 to purchase additional Gulf+Western Common Stock on the same cost-free basis. Since the plan is voluntary, investors may join or withdraw at any time.

About 13,000 stockholders holding more than two million Gulf+Western shares now participate by reinvesting their dividends in Gulf+Western shares.

Dividends

Gulf+Western Industries, Inc. has paid 73 consecutive cash dividends on its Common Stock. Our Dividend Disbursing Agent is Manufacturers Hanover Trust Company. All inquiries concerning dividend payments should be directed to the Investor Relations Department of Gulf+Western.

Supplemental Information

This Annual Report is supplemented by other sources of information available to our investors. The Gulf+Western Fact Book, which contains more specific financial and operating data, will be available upon request.

Certain additional information about our Company is contained in the Form 10-K filed annually with the Securities and Exchange Commission. A copy of this document will also be sent to you upon request.

Other Reports

As an investor, you receive our quarterly reports which are mailed in January, April and July. These reports contain financial results and a brief discussion about the Company for the period covered.

The report of our Annual Meeting of Stockholders is a summary of the activities of the Annual Meeting, including excerpts from the Chairman's address and President's remarks, results of voting on items of business and topics of stockholder interest.

An audio tape recording of this 1982 Annual Report is available upon request for handicapped persons.

Corporate Offices

1 Gulf+Western Plaza
New York, New York 10023
(212) 333-7000

Annual Meeting of Stockholders

The 1982 Annual Meeting of Stockholders will be held on Tuesday, December 14, 1982, at 10:30 A.M. local time in The Felt Forum of Madison Square Garden Center at Eighth Avenue and 33rd Street, New York, New York 10001.

All stockholder inquiries and requests for material should be directed to our Investor Relations Department by writing or by calling collect:

Investor Relations Department
Gulf+Western Industries, Inc.
1 Gulf+Western Plaza
New York, New York 10023
(212) 333-3700

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Five Year Comparison of Selected Supplementary Financial Data Adjusted for Effects of Changing Prices

In Average 1981 Dollars (except as reported amounts)	(Dollars in Millions, Except Per Share)				
Year Ended July 31	**1981**	1980	1979	1978	1977
As Reported:					
Net sales and other revenues	**$5,702**	$5,338	$4,843	$3,922	$3,276
Net earnings	**291**	255	227	181	150
Net earnings per share—fully diluted	**3.47**	3.12	2.68	2.13	1.77
Net assets (convertible preferred and common stockholders' equity) at year-end	**2,179**	1,666	1,469	1,341	1,197
Constant Dollar Information:					
Net sales and other revenues	**5,702**	5,945	6,119	5,435	4,850
Net earnings (including gain from decline in purchasing power)	**326**	379			
Net earnings per share (including gain from decline in purchasing power)	**3.89**	4.58			
Net assets (convertible preferred and common stockholders' equity) at year-end	**3,594**	2,888			
Current Cost Information:					
Net earnings (including gain from decline in purchasing power)	**315**	352			
Net earnings per share (including gain from decline in purchasing power)	**3.76**	4.26			
Net assets (convertible preferred and common stockholders' equity) at year-end	**3,962**	3,447			
Excess of increase in general price level over increase in the specific cost changes (current cost) of inventories and property, plant and equipment held during the year	**30**	78			
Other Information Adjusted for General Inflation:					
Gain from decline in purchasing power of net monetary items	**252**	334			
Cash dividends paid per common share:					
As reported	**.75**	.638	.58	.536	.504
In average 1981 constant dollars	**.75**	.71	.733	.743	.746
Market price per common share at year-end:					
As reported	**18.75**	17.50	13.00	11.30	9.90
In average 1981 constant dollars	**17.88**	18.48	15.53	15.03	14.19
Average consumer price index	**262**	235	207	189	177

Report of Independent Auditors

To the Stockholders and Board of Directors
Gulf+Western Industries, Inc.

We have examined the consolidated balance sheet of Gulf+Western Industries, Inc. and consolidated subsidiaries as of July 31, 1981 and 1980, and the related consolidated statements of earnings, changes in capital accounts and changes in financial position for each of the three years in the period ended July 31, 1981. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of Gulf+Western Industries, Inc. and consolidated subsidiaries at July 31, 1981 and 1980, and the consolidated results of their operations and changes in their financial position for each of the three years in the period ended July 31, 1981, in conformity with generally accepted accounting principles consistently applied during the period and on a basis consistent with that of the preceding year, except for the change in 1980, with which we concur, in the method of accounting for interest cost as described in Note A to the consolidated financial statements.

Ernst & Whinney

New York, N.Y.
October 21, 1981

The following registered U.S. trademarks and service marks have been used in this report and are owned by the designated Gulf+Western company or affiliate:
Gulf+Western Manufacturing Company—BLISS, EAGLE SIGNAL, EPTAK, TAYLOR FORGE, MORSE; Simmons—BEAUTYREST, HIDE-A-BED, HAUSTED; Greeff Fabrics, Inc.—GREEFF; Kayser-Roth Corporation—CATALINA, COLE OF CALIFORNIA, NO NONSENSE, EXCELLO, INTERWOVEN, SOCK SENSE, CENTURY, TICA, NAZARETH; Gulf+Western Corporation—DUTCH MASTERS, MURIEL, BACKWOODS, H. UPMANN, DON DIEGO, PRIMO DEL REY, EL PRODUCTO, DUTCH TREATS; Paramount Pictures Corporation—HAPPY DAYS, TAXI, LAVERNE & SHIRLEY, MORK & MINDY; A.P.S., Inc.—APS, BIG A; Madison Square Garden—MADISON SQUARE GARDEN, NEW YORK RANGERS, NEW YORK KNICKS; Symons Corporation—SYMONS; Thonet Industries, Inc.—THONET; Sega Enterprises, Inc.—SEGA.

The following also are trademarks and service marks of the indicated Gulf+Western company or affiliate:
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About 13,000 stockholders holding more than two million Gulf+Western shares now participate by reinvesting their dividends in Gulf+Western shares.

Dividends

Gulf+Western Industries, Inc. has paid 69 consecutive cash dividends on its Common Stock. Our Dividend Disbursing Agent is Manufacturers Hanover Trust Company. All inquiries concerning dividend payments should be directed to the Investor Relations Department of Gulf+Western.

Supplemental Information

This Annual Report is supplemented by other sources of information available to our investors. The Gulf+Western Fact Book, which contains more specific financial and operating data, will be available upon request after December 31, 1981.

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The report of our Annual Meeting of Stockholders is a summary of the activities of the Annual Meeting, including excerpts from the Chairman's address and President's remarks, results of voting on items of business and topics of stockholder interest.

Also available upon request is a Products /Services Directory, which details the products /services of each of Gulf+Western's operating groups as well as the addresses and phone numbers of the groups.

An audio tape recording of this 1981 Annual Report is available upon request for handicapped persons.

Corporate Offices

1 Gulf+Western Plaza
New York, New York 10023
(212) 333-7000

Annual Meeting of Stockholders

The 1981 Annual Meeting of Stockholders will be held on Tuesday, December 15, 1981, at 9:30 A.M. local time in the Venetian Ballroom of The Breakers, South County Road, Palm Beach, Florida 33480.

All stockholder inquiries and requests for material should be directed to our Investor Relations Department by writing or by calling collect:

Investor Relations Department
Gulf+Western Industries, Inc.
1 Gulf+Western Plaza
New York, New York 10023
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