

American Biltrite Inc.

Consolidated Financial Statements
Nine Months Ended
September 30, 2014 & 2013

American Biltrite Inc. and Subsidiaries
Consolidated Balance Sheets
(In thousands of dollars)

	September 27, 2014	December 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	**$ 108**	$ 905
Short-term investments	**2,499**	2,499
Accounts receivable, less allowances for doubtful accounts	**24,652**	18,875
Inventories	**44,802**	39,212
Income taxes	**1,004**	1,162
Prepaid expenses & other current assets	**2,358**	1,744
Insurance receivable for asbestos & environmental liabilities	**4,623**	4,772
Total current assets	**80,046**	69,169
Property, plant & equipment, net	**26,501**	26,670
Other assets:		
Insurance receivable for asbestos & environmental liabilities	**20,428**	20,428
Other assets	**3,578**	3,608
	24,006	24,036
Total assets	**$ 130,553**	$ 119,875
Liabilities		
Current liabilities:		
Accounts payable	**$ 13,034**	$ 8,898
Accrued expenses	**13,202**	13,997
Asbestos & environmental liabilities	**6,007**	5,969
Notes payable	**11,563**	1,488
Current portion of long-term debt	**1,541**	1,432
Total current liabilities	**45,347**	31,784
Long-term debt, less current portion	**6,370**	7,577
Asbestos & environmental liabilities	**35,809**	35,809
Other liabilities	**6,997**	8,141
	49,176	51,527
Total liabilities	**94,523**	83,311
Stockholders' equity		
Common stock and additional paid in capital (common stock par value $.01, 150,000 shares authorized, issued 45,985 shares, and 32,477 shares outstanding at September 27, 2014 & December 31, 2013)	**20,324**	20,324
Less cost of common stock in treasury (13,508 shares at September 27, 2014 & December 31, 2013)	**(15,721)**	(15,721)
Retained earnings	**32,571**	32,700
Accumulated other comprehensive loss	**(2,088)**	(1,683)
Total stockholders' equity of controlling interests	**35,086**	35,620
Noncontrolling interests	**944**	944
Total stockholders' equity	**36,030**	36,564
Total liabilities and stockholders' equity	**$ 130,553**	$ 119,875

American Biltrite Inc. and Subsidiaries
Consolidated Statement of Operations
(In thousands of dollars, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	**2013**	**2014**	**2013**
Net Sales	**$ 52,323**	$ 53,589	**$ 152,959**	$ 156,155
Cost of products sold	**38,616**	39,767	**113,187**	115,607
Selling, general & administrative expenses	**12,586**	13,175	**38,053**	39,435
Income from operations	**1,121**	647	**1,719**	1,113
Other (expense) income				
Interest expense	**(169)**	(164)	**(447)**	(435)
Other (expense) income, net	**(848)**	351	**(1,086)**	273
	(1,017)	**187**	**(1,533)**	**(162)**
Income before income taxes	**104**	**834**	**186**	**951**
Provision for income taxes	**190**	138	**315**	304
Net (loss) income attributable to controlling interests	**$ (86)**	$ 696	**$ (129)**	$ 647
Net (loss) income per share attributable to controlling interests				
Basic	**$ (2.65)**	$ 21.43	**$ (3.97)**	$ 19.68
Diluted	**$ (2.65)**	$ 21.39	**$ (3.97)**	$ 19.65
Weighted average shares outstanding				
Basic	**32,477**	32,477	**32,477**	32,874
Diluted	**32,477**	32,542	**32,477**	32,919

American Biltrite Inc. and Subsidiaries
Consolidated Statement of Cash Flows
(In thousands of dollars)

	Nine Months Ended September 30, 2014	2013
Operating activities		
Net (loss) income	**$ (129)**	$ 647
Adjustment to reconcile net (loss) income to net cash used by operating activities		
Depreciation and amortization	**2,629**	2,625
Stock compensation expense	**-**	42
Change in operating assets and liabilities		
Accounts and notes receivable	**(6,299)**	(4,385)
Inventories	**(6,866)**	(9,545)
Prepaid expenses and other assets	**(669)**	1,136
Accounts payable and accrued expenses	**3,803**	1,666
Asbestos & environmental liabilities	**187**	(1)
Other	**(1,306)**	(445)
Net cash used by operating activities	**(8,453)**	(8,260)
Investing activities		
Investments in property, plant and equipment	**(2,896)**	(2,081)
Net cash used by investing activities	**(2,896)**	(2,081)
Financing activities		
Net borrowings on short-term debt	**10,248**	11,312
Payments on long-term debt	**(1,080)**	(1,210)
Purchase of stock	**-**	(762)
Net cash provided by financing activities	**9,168**	9,340
Effect of foreign exchange rate changes on cash	**1,384**	(468)
Net decrease in cash	**(797)**	(1,469)
Cash and cash equivalents at beginning of period	**905**	1,604
Cash and cash equivalents at end of period	**$ 108**	$ 135