American Biltrite Inc.

Consolidated Financial Statements
As of and for the Years Ended
December 31, 2014 & 2013

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

	December 31 2014	December 31 2013
Assets		
Current assets:		
Cash and cash equivalents	**$ 245**	$ 905
Short-term investments	**2,499**	2,499
Accounts receivable, less allowances for doubtful accounts	**19,465**	18,875
Inventories	**39,088**	39,212
Income taxes	**1,459**	1,162
Prepaid expenses & other current assets	**1,953**	1,744
Insurance receivable for asbestos & environmental liabilities	**4,658**	4,772
Total current assets	**69,367**	69,169
Property, plant & equipment, net	**26,801**	26,670
Other assets:		
Insurance receivable for asbestos & environmental liabilities	**22,262**	20,428
Other assets	**3,610**	3,608
	25,872	24,036
Total assets	**$ 122,040**	$ 119,875
Liabilities		
Current liabilities:		
Accounts payable	**$ 9,223**	$ 8,898
Accrued expenses	**12,259**	13,997
Asbestos & environmental liabilities	**6,415**	5,969
Notes payable	**4,468**	1,488
Current portion of long-term debt	**1,539**	1,432
Total current liabilities	**33,904**	31,784
Long-term debt, less current portion	**5,990**	7,577
Asbestos & environmental liabilities	**35,443**	35,809
Other liabilities	**13,440**	8,141
	54,873	51,527
Total liabilities	**88,777**	83,311
Stockholders' equity		
Common stock and additional paid in capital (common stock par value $.01, 150,000 shares authorized, issued 45,985 shares, and 32,477 shares outstanding at December 31, 2014 & 2013)	**20,324**	20,324
Less cost of common stock in treasury (13,508 shares at December 31, 2014 & 2013)	**(15,721)**	(15,721)
Retained earnings	**35,674**	32,700
Accumulated other comprehensive loss	**(7,958)**	(1,683)
Total stockholders' equity of controlling interests	**32,319**	35,620
Noncontrolling interests	**944**	944
Total stockholders' equity	**33,263**	36,564
Total liabilities and stockholders' equity	**$ 122,040**	$ 119,875

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

	Years Ended December 31 2014	2013
Net Sales	**$ 205,585**	$ 209,293
Cost of products sold	**151,161**	154,808
Selling, general & administrative expenses	**48,369**	50,099
Income from operations	**6,055**	4,386
Other (expense) income		
Interest expense	**(723)**	(641)
Other (expense) income, net	**(1,841)**	371
	(2,564)	(270)
Income before income taxes and other items	**3,491**	4,116
Provision for income taxes	**517**	760
Net income	**2,974**	3,356
Noncontrolling interests	**-**	-
Net income attributable to controlling interest	**$ 2,974**	$ 3,356
Net income attributable to controlling interest per common share:		
Basic	**$ 91.57**	$ 102.40
Diluted	**$ 91.47**	$ 102.25
Weighted average shares outstanding		
Basic	**32,477**	32,774
Diluted	**32,513**	32,823

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

	Years Ended December 31	
	2014	**2013**
Operating activities		
Net income	**$ 2,974**	$ 3,356
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**3,335**	3,328
Provision for doubtful accounts and discounts	**2,903**	2,545
Stock compensation expense	**-**	42
Deferred taxes	**190**	400
Gains from insurance settlements	**(2,400)**	(1,627)
Change in operating assets and liabilities		
Accounts and notes receivable	**(3,822)**	(1,679)
Inventories	**(1,231)**	(4,312)
Prepaid expenses and other assets	**(246)**	1,332
Accounts payable and accrued expenses	**(975)**	(1,174)
Asbestos & environmental liabilities	**760**	1,123
Income taxes	**(314)**	(869)
Other	**(853)**	(468)
Net cash provided by operating activities	**321**	1,997
Investing activities		
Investments in property, plant and equipment	**(3,428)**	(2,484)
Purchase of short-term investments	**(2,499)**	(2,499)
Proceeds from sale of short-term investments	**2,499**	2,500
Net cash used in investing activities	**(3,428)**	(2,483)
Financing activities		
Net short-term loan borrowings (payments)	**3,038**	(4,426)
Payments on long-term debt	**(1,478)**	(3,493)
Proceeds from refinancing & Belgium loan	**-**	9,371
Refinancing fee	**(30)**	(240)
Purchase of stock	**-**	(762)
Net cash provided in financing activities	**1,530**	450
Effect of foreign exchange rate changes on cash	**917**	(663)
Net decrease in cash	**(660)**	(699)
Cash and cash equivalents at beginning of year	**905**	1,604
Cash and cash equivalents at end of year	**$ 245**	$ 905