

American Biltrite Inc.

Consolidated Financial Statements
Three and Nine Months Ended
October 3, 2015 & 2014

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

	October 3, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	**$ 45**	$ 245
Short-term investments	**2,500**	2,499
Accounts receivable, less allowances for doubtful accounts	**25,042**	19,465
Inventories	**43,368**	39,088
Income taxes	**619**	1,459
Prepaid expenses & other current assets	**2,557**	1,953
Insurance receivable for asbestos & environmental liabilities	**4,635**	4,658
Total current assets	**78,766**	69,367
Property, plant & equipment, net	**25,993**	26,801
Other assets:		
Insurance receivable for asbestos & environmental liabilities	**22,262**	22,262
Other assets	**3,653**	3,610
	25,915	25,872
Total assets	**$ 130,674**	$ 122,040
Liabilities		
Current liabilities:		
Accounts payable	**$ 12,801**	$ 9,223
Accrued expenses	**13,520**	12,259
Asbestos & environmental liabilities	**6,801**	6,415
Notes payable	**12,582**	4,468
Current portion of long-term debt	**1,537**	1,539
Total current liabilities	**47,241**	33,904
Long-term debt, less current portion	**4,693**	5,990
Asbestos & environmental liabilities	**35,443**	35,443
Other liabilities	**13,175**	13,440
	53,311	54,873
Total liabilities	**100,552**	88,777
Stockholders' equity		
Common stock and additional paid in capital (common stock par value $.01, 150,000 shares authorized, issued 45,985 shares, and 32,477 shares outstanding at October 3, 2015 and December 31, 2014)	**20,324**	20,324
Less cost of common stock in treasury (13,508 shares at October 3, 2015 and December 31, 2014)	**(15,721)**	(15,721)
Retained earnings	**33,834**	35,674
Accumulated other comprehensive loss	**(9,259)**	(7,958)
Total stockholders' equity of controlling interests	**29,178**	32,319
Noncontrolling interests	**944**	944
Total stockholders' equity	**30,122**	33,263
Total liabilities and stockholders' equity	**$ 130,674**	$ 122,040

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

	Three Months Ended October 3,		Nine Months Ended October 3,	
	2015	**2014**	**2015**	**2014**
Net Sales	**$ 49,106**	$ 52,323	**$ 145,586**	$ 152,959
Cost of products sold	**36,382**	38,616	**107,527**	113,187
Selling, general & administrative expenses	**12,667**	12,586	**37,699**	38,053
Income from operations	**57**	**1,121**	**360**	**1,719**
Other (expense) income				
Interest expense	**(181)**	(169)	**(522)**	(447)
Other income (expense), net	**189**	(848)	**(1,286)**	(1,086)
	8	**(1,017)**	**(1,808)**	**(1,533)**
Income (loss) before income taxes	**65**	**104**	**(1,448)**	**186**
Provision for income taxes	**143**	190	**392**	315
Net loss attributable to controlling interests	**$ (78)**	**$ (86)**	**$ (1,840)**	**$ (129)**
Net loss per share attributable to controlling interests				
Basic	**$ (2.40)**	**$ (2.65)**	**$ (56.66)**	**$ (3.97)**
Diluted	**$ (2.40)**	**$ (2.65)**	**$ (56.66)**	**$ (3.97)**
Weighted average shares outstanding				
Basic	**32,477**	**32,477**	**32,477**	**32,477**
Diluted	**32,477**	**32,477**	**32,477**	**32,477**

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

	Nine Months Ended October 3, 2015	2014
Operating activities		
Net loss	**$ (1,840)**	$ (129)
Adjustment to reconcile net loss to net cash used by operating activities		
Depreciation and amortization	**2,614**	2,629
Change in operating assets and liabilities		
Accounts and notes receivable	**(6,291)**	(6,299)
Inventories	**(6,575)**	(6,866)
Prepaid expenses and other assets	**(694)**	(669)
Accounts payable and accrued expenses	**5,705**	3,803
Asbestos & environmental liabilities	**409**	187
Other	**272**	(1,109)
Net cash used by operating activities	**(6,400)**	(8,453)
Investing activities		
Investments in property, plant and equipment	**(1,763)**	(2,896)
Purchase of short-term investments	**(2,500)**	(2,500)
Proceeds from sale of short-term investments	**2,499**	2,500
Net cash used by investing activities	**(1,764)**	(2,896)
Financing activities		
Net short-term loan borrowings	**8,330**	10,248
Payments on long-term debt	**(1,285)**	(1,080)
Net cash provided by financing activities	**7,045**	9,168
Effect of foreign exchange rate changes on cash	**919**	1,384
Net decrease in cash	**(200)**	(797)
Cash and cash equivalents at beginning of period	**245**	905
Cash and cash equivalents at end of period	**$ 45**	$ 108