

American Biltrite Inc.

Consolidated Financial Statements
As of and For the Three & Six Months Ended
June 30, 2016 & 2015

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

		June 30, 2016		December 31, 2015
Assets				
Current assets:				
Cash and cash equivalents		**$ 269**	$	250
A Accounts receivable, less allowances for doubtful accounts		**18,174**		17,968
Inventories		**35,652**		36,536
Income taxes		**805**		742
Prepaid expenses & other current assets		**2,070**		2,193
Insurance receivable for asbestos & environmental liabilities		**4,972**		5,050
Total current assets		**61,942**		62,739
Property, plant & equipment, net		**24,529**		25,002
Other assets:				
Insurance receivable for asbestos & environmental liabilities		**20,884**		20,884
Securities held to maturity		**2,530**		2,488
Other assets		**3,671**		3,723
		27,085		27,095
Total assets		**$ 113,556**	$	114,836
Liabilities				
Current liabilities:				
Accounts payable		**$ 10,717**	$	9,963
Accrued expenses		**12,604**		12,328
Asbestos & environmental liabilities		**7,012**		6,813
Notes payable		**1,510**		2,788
Current portion of long-term debt		**1,537**		1,526
Total current liabilities		**33,380**		33,418
Long-term debt, less current portion		**3,551**		4,421
Asbestos & environmental liabilities		**33,777**		33,777
Other liabilities		**13,333**		12,919
		50,661		51,117
Total liabilities		**84,041**		84,535
Stockholders' equity				
Common stock and additional paid in capital (common stock par value $.01, 150,000 shares authorized, issued 45,985 shares, and 32,477 shares outstanding at June 30, 2016 and December 31, 2015)		**20,324**		20,324
Less cost of common stock in treasury (13,508 shares at June 30, 2016 and December 31, 2015)		**(15,721)**		(15,721)
Retained earnings		**33,186**		34,953
Accumulated other comprehensive loss		**(9,218)**		(10,199)
Total stockholders' equity of controlling interests		**28,571**		29,357
Noncontrolling interests		**944**		944
Total stockholders' equity		**29,515**		30,301
Total liabilities and stockholders' equity		**$ 113,556**	$	114,836

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	**2015**	**2016**	**2015**
Net Sales	**$ 44,651**	$ 48,238	**$ 90,422**	$ 96,480
As of and For the Three & Six Months Ended	**32,874**	36,122	**67,162**	71,145
Selling, general & administrative expenses	**12,166**	12,366	**24,636**	25,032
(Loss) income from operations	**(389)**	(250)	**(1,376)**	303
Other (expense) income				
Interest expense	**(122)**	(157)	**(258)**	(341)
Other (expense) income, net	**(75)**	360	**97**	(1,475)
	(197)	203	**(161)**	(1,816)
Loss before income taxes	**(586)**	(47)	**(1,537)**	(1,513)
Provision for income taxes	**95**	143	**230**	249
Net loss attributable to controlling interests	**$ (681)**	$ (190)	**$ (1,767)**	$ (1,762)
Net loss per share attributable to controlling interests				
Basic	**$ (20.97)**	$ (5.85)	**$ (54.41)**	$ (54.25)
Diluted	**$ (20.97)**	$ (5.85)	**$ (54.41)**	$ (54.25)
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)

		Six Months Ended June 30, 2016	2015
Operating activities			
Net loss		**$ (1,767)**	$ (1,762)
Adjustment to reconcile net loss to net cash			
A provided (used) by operating activities			
Depreciation and amortization		**1,668**	1,738
Change in operating assets and liabilities			
Accounts and notes receivable		**47**	(1,059)
Inventories		**1,804**	(3,744)
Prepaid expenses and other assets		**160**	(302)
Accounts payable and accrued expenses		**678**	1,691
Asbestos & environmental liabilities		**277**	(64)
Other		**415**	134
Net cash provided (used) by operating activities		**3,282**	(3,368)
Investing activities			
Investments in property, plant and equipment		**(1,126)**	(991)
Purchase of investments		**(42)**	(2,500)
Proceeds from sale of investments		**-**	2,499
Net cash used by investing activities		**(1,168)**	(992)
Financing activities			
Net short-term loan (payments) borrowings		**(1,338)**	4,150
Payments on long-term debt		**(861)**	(867)
Net cash (used) provided by financing activities		**(2,199)**	3,283
Effect of foreign exchange rate changes on cash		**104**	1,143
Net increase in cash		**19**	66
Cash and cash equivalents at beginning of period		**250**	245
Cash and cash equivalents at end of period		**$ 269**	$ 311