



American Bilrite Inc.

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

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

	September 30, 2016	December 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$ 94	\$ 250
Accounts receivable, less allowances for doubtful accounts	23,825	17,968
Inventories	34,341	36,536
Income taxes	291	742
Prepaid expenses & other current assets	2,336	2,193
Insurance receivable for asbestos & environmental liabilities	4,970	5,050
Total current assets	65,857	62,739
Property, plant & equipment, net	24,396	25,002
Other assets:		
Insurance receivable for asbestos & environmental liabilities	20,884	20,884
Securities held to maturity	2,530	2,488
Other assets	3,474	3,723
	26,888	27,095
Total assets	\$ 117,141	\$ 114,836
Liabilities		
Current liabilities:		
Accounts payable	\$ 10,760	\$ 9,963
Accrued expenses	12,980	12,328
Asbestos & environmental liabilities	7,015	6,813
Notes payable	3,774	2,788
Current portion of long-term debt	1,530	1,526
Total current liabilities	36,059	33,418
Long-term debt, less current portion	3,283	4,421
Asbestos & environmental liabilities	33,777	33,777
Other liabilities	13,451	12,919
	50,511	51,117
Total liabilities	86,570	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 September 30, 2016 and December 31, 2015)	20,324	20,324
Less cost of common stock in treasury (13,508 shares at September 30, 2016 and December 31, 2015)	(15,721)	(15,721)
Retained earnings	34,349	34,953
Accumulated other comprehensive loss	(9,325)	(10,199)
Total stockholders' equity of controlling interests	29,627	29,357
Noncontrolling interests	944	944
Total stockholders' equity	30,571	30,301
Total liabilities and stockholders' equity	\$ 117,141	\$ 114,836

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Net Sales	\$ 47,928	\$ 49,106	\$ 138,350	\$ 145,586
Cost of products sold	35,063	36,382	102,225	107,527
Selling, general & administrative expenses	11,553	12,667	36,189	37,699
Income (loss) from operations	1,312	57	(64)	360
Other income (expense)				
Interest expense	(112)	(181)	(370)	(522)
Other income (expense), net	122	189	219	(1,286)
	10	8	(151)	(1,808)
Income (loss) before income taxes	1,322	65	(215)	(1,448)
Provision for income taxes	159	143	389	392
Net income (loss) attributable to controlling interests	\$ 1,163	\$ (78)	\$ (604)	\$ (1,840)
Net income (loss) per share attributable to controlling interests				
Basic	\$ 35.81	\$ (2.40)	\$ (18.60)	\$ (56.66)
Diluted	\$ 35.81	\$ (2.40)	\$ (18.60)	\$ (56.66)
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	
	September 30,	
	2016	2015
Operating activities		
Net loss	\$ (604)	\$ (1,840)
Adjustment to reconcile net loss to net cash provided (used) by operating activities		
Depreciation and amortization	2,470	2,614
Change in operating assets and liabilities		
Accounts and notes receivable	(5,618)	(6,291)
Inventories	3,011	(6,575)
Prepaid expenses and other assets	(109)	(694)
Accounts payable and accrued expenses	1,145	5,705
Asbestos & environmental liabilities	282	409
Other	1,196	272
Net cash provided (used) by operating activities	1,773	(6,400)
Investing activities		
Investments in property, plant and equipment	(1,762)	(1,763)
Purchase of short-term investments	(42)	(2,500)
Proceeds from sale of short-term investments	-	2,499
Net cash used by investing activities	(1,804)	(1,764)
Financing activities		
Net short-term loan borrowings	932	8,330
Payments on long-term debt	(1,137)	(1,285)
Net cash (used) provided by financing activities	(205)	7,045
Effect of foreign exchange rate changes on cash	80	919
Net decrease in cash	(156)	(200)
Cash and cash equivalents at beginning of period	250	245
Cash and cash equivalents at end of period	\$ 94	\$ 45